

DAILY REPORT

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ANNUAL ASEAN MEETING CONCLUDES

OW241151 Tokyo KYODO in English 1123 GMT 24 Jun 86

[By Antonio Kamiya]

[Text] Manila, June 24 KYODO -- The Association of Southeast Asian Nations (ASEAN) Tuesday approved an emergency oil-sharing scheme in a bid aimed at insulating the noncommunist regional bloc from the energy crises.

The agreement came at the end of a two-day conference of the foreign ministers from the six-member group, in which they renewed their call to Vietnam to pull its 140,000 troops out of Kampuchea and seek a political settlement between the warring parties there. ASEAN groups Brunei, Indonesia, Malaysia, Singapore, Thailand and the Philippines.

In a joint communique issued at the end of the meeting, ASEAN also called on the developed world, particularly its six "dialogue partners" -- Japan, the United States, Canada, Australia, New Zealand and the European Community -- to lift restrictive trade measures and stabilize world commodity prices -- major foreign exchange earners for the region. The document also raised the question of trade friction with Japan, saying that the foreign ministers "expressed grave concern" over the trend of declining Japanese investments in ASEAN and the continuing structural imbalance in ASEAN-Japan trade.

This year's conference, the first major diplomatic event in Manila since Corazon Aquino became president last February, however, was aimed at injecting a sense of purpose into the 19-year-old regional organization.

"Our deliberations during the past two days reveal that the ASEAN spirit is alive and well", said Deputy Thai Foreign Minister Arun Phanuphong in his closing remarks Tuesday. Philippine Vice President and Foreign Minister Salvador Laurel also underscored harmony in his closing remarks as chairman of the conference, asserting that the group attained "unanimity in all points" raised during the conference. The upbeat remarks contrasted with the acid comment from Aquino in her keynote speech Monday in which she described ASEAN as a group still mired in "endless discussions on how to get it off the ground."

Aquino's call for greater economic cooperation within the region was materialized in two pacts signed Tuesday -- an umbrella agreement to cooperate in energy and related fields and a scheme to share oil supplies. The oil-sharing plan calls for the three oil producing ASEAN members -- Brunei, Indonesia and Malaysia -- to give top priority in selling petroleum to the Philippines, Singapore and Thailand -- the three oil importers -- in times of shortage, with the oil importers agreeing to buy from the oil-producing partners in times of glut. The two agreements "would ensure that (ASEAN'S) industrial development would remain unhampered by energy shortages," Laurel said.

As in previous years, Kampuchea was taken up extensively in the joint communique with the ASEAN foreign ministers expressing their "deep concern" on Vietnam's occupation of Kampuchea, now in its eighth year. ASEAN called for a comprehensive political settlement in Kampuchea and reiterated its support of an eight-point proposal put forth by the Coalition Government of Democratic Kampuchea in March calling for a phased pullout of Vietnamese forces in a fresh bid to resolve the political impasse.

The proposal "offers a constructive framework for negotiations and addresses all aspects of the Kampuchean problem," the communique said. While Hanoi has already rejected the proposal, Singaporean Foreign Minister S. Dhanabalan said "we are waiting for Vietnam to respond."

The ASEAN foreign ministers reaffirmed their determination to promote a so-called "zone of peace, freedom and neutrality" in Southeast Asia, but admitted that the Kampuchean problem remains an obstacle to the ambitious concept. The concept "cannot be realized until the Kampuchean problem is settled," Indonesian Foreign Minister Mokhtar Kusumaatmaja said at a news conference following the meeting.

Turning to economic issues -- the other major topic of discussion in the meeting -- the ASEAN foreign ministers decided that the group should tap its vast potential for regional economic cooperation. On international economic issues, the ASEAN group expressed "grave concern" over accelerating protectionist pressures in the developed countries against their manufactured goods as well as over depressed commodity prices. These topics are expected to be addressed in a series of talks the ASEAN foreign ministers will have with the six dialogue partners over the next two days.

In Tokyo, Foreign Ministry sources said Foreign Minister Shintaro Abe is expected to pledge Tokyo's continuing economic assistance to ASEAN during his talks with his ASEAN opposite numbers. Abe, who is facing crucial parliamentary elections in Japan, will arrive in Manila Wednesday for a brief one-day visit.

Japan is ASEAN's largest trading partner, but two-way trade declined to 31 billion dollars in 1985, down from 36 billion dollars the year before. ASEAN as a whole piled up an 8.9 billion dollar surplus with Japan in 1985, but the black ink came almost exclusively because of Japan's imports of crude and raw materials, and the group wants better access for ASEAN's manufactured and semi-manufactured products to the Japanese market. The share of Japan's overseas investment in ASEAN has also fallen in recent years. The group once absorbed nearly a third of Japan's foreign investment but the amount shrank to a mere 7.7 percent of the 12.2 billion dollars Japan invested overseas in 1985. Diplomatic sources here say the ASEAN foreign ministers are expected to press Japan for more investment during their talks with Abe.

Energy Plan Agreed Upon

BK240634 Manila PNA in English 0609 GMT 24 Jun 86

[Text] Manila June 24 (PNA) -- The member countries of the Association of Southeast Asian Nations (ASEAN), through their foreign ministers, today signed an agreement on energy cooperation.

The agreement which will take effect 30 days after the last country has ratified it, calls for the cooperation in the efficient development and use of all forms of energy whether commercial, non-commercial, renewable or non-renewable, in modalities that may be appropriately designed by them.

The range of cooperation, the agreement provides, will span planning, development, manpower training, information exchange, efficiency and conservation, supply and disposal, where appropriate in any of the following energy sub-activities:

- Resource investigation, exploration, assessment, planning and development.
- Technological research, development and demonstration.

- Transfer of technology.
- Upgrading of environmental impact assessments resulting from different activities in energy production, processing, handling, transport and utilization.
- Standardization of energy related facilities.
- Manpower development and safety programs in various energy fields, including production, processing, handling, transport, and utilization.
- Energy security arrangements for emergency situations.
- Exchange of technical information on personnel, technology transfer, operational experience, research publications, as well as program policy and implementation experiences.
- Maintenance of a conducive environment for trading and investment opportunities in relation to energy fuels, materials and equipment.

Under the agreement, the senior officials of the ASEAN economic ministers on energy cooperation will act as a consultative committee to promote and keep under review the various cooperation activities envisaged in the framework agreed by the member countries.

The six foreign ministers who signed the agreement for their respective governments are Prince Mohamed Bolkiah of Brunei, Dr Mokhtar Kusumaatmaja of Indonesia, Tengku Ahmad Rithauddeen of Malaysia, Vice-President Salvador H. Laurel of the Philippines, S. Dhanabalan of Singapore, and Arun Phanupong, deputy foreign affairs minister of Thailand.

Communiqué Condemns SRV

BK241417 Manila PNA in English 1313 GMT 24 Jun 86

[By Miguel Rocha]

[Text] Manila, June 24 (PNA) -- The Association of Southeast Asian Nations (ASEAN) today condemned Vietnam for its continued occupation of Kampuchea and urged other nations outside the regional bloc to continue pressuring the Soviet-backed Vietnam Government to withdraw its troops from the area.

In a joint communique at the close of the two-day 19th ASEAN foreign ministers meeting here, the regional grouping of six countries declared that Vietnam's military occupation of Kampuchea now on its eighth year, poses a grave threat to the peace and stability not only of Southeast Asia but to the whole world. ASEAN urged Vietnam to confront the United Nations - recognized tripartite resistance group called the Coalition Government of Democratic Kampuchea (CGDK) in proximity talks to find a peaceful solution to the Kampuchean problem.

The foreign ministers of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, the countries which comprise ASEAN, deplored Vietnam's continued pursuit of a military solution to the Kampuchean problem saying this would only result in unnecessary loss of lives and destruction to property. The ASEAN foreign ministers reiterated their call for a durable political settlement in Kampuchea and in this context, reaffirmed ASEAN's appeal for the independence of Kampuchea and the achievements of national reconciliation in the country.

Vietnam's continued military operation in Kampuchea is causing massive dislocation of the Kampuchean people. The oppressive conditions inside Kampuchea, particularly the practice of compelling Kampuchean civilians to work in the war zones, have caused numerous casualties, the ASEAN ministers said. They also noted Vietnamese incursions into Thai territory where hundreds of thousands of Kampuchean refugees are sheltered in UN-supervised refugee camps.

Despite the absence of military targets along the Thai-Kampuchean border areas, Vietnamese troops continued mounting military operations against civilian camps in the border area, the most recent of which was in May, 1986, which resulted in deaths and casualties among innocent Kampuchean civilians and Thai villagers near the border. Vietnam's recent so-called annual partial withdrawal of its troops from Kampuchea, the ASEAN ministers said, was a "mere rotation intended to mislead the international community, the Kampuchean people and the Vietnamese people themselves."

The foreign ministers reaffirmed their support for the CGDK under the presidency of Samdech Norodom Sihanouk, whose continued leadership of the coalition is vital and crucial in the Kampuchean people's struggle to restore the independent, sovereign, neutral and non-aligned status of their nation.

The ASEAN foreign ministers also backed the CGDK's eight-point proposal for a political settlement to the problem saying the proposal offers a constructive framework for negotiations and addresses all aspects of the Kampuchean problem. Vietnam rejected the proposal leading the ASEAN members to view this as an illustration of continuing inflexibility in its position on the Kampuchean problem.

ABE ARRIVES IN MANILA FOR TALKS

OW250625 Tokyo KYODO in English 0538 GMT 25 Jun 86

[By Antonio Kamiya]

[Text] Manila, June 25 KYODO -- Japan's Foreign Minister Shintaro Abe flew into Manila Wednesday and immediately entered a series of talks aimed at leaving an imprint of his "creative diplomacy" in Southeast Asia. The short 24-hour trip culminates Abe's three-and-a-half-year career as Japan's top diplomat, and he intends to mark the occasion with an "Abe Doctrine" designed to spell out Tokyo's political and economic commitment to the region. Abe is here to attend a conference which the Association of Southeast Asian Nations (ASEAN) is holding for its "dialogue partners" of developed economies in the Pacific rim plus the European Community.

Abe's tightly packed schedule here Wednesday calls for separate meetings with President Corazon Aquino, her Vice President and Foreign Minister Salvador Laurel, U.S. Secretary of State George Shultz and Malaysian Foreign Minister Ahmad Rithauddeen. Rithauddeen is acting as the ASEAN coordinator with Japan. Six members of the ASEAN group are: Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Abe, who took time out for this whirlwind tour from a busy election campaign in Japan, is expected to set out the "Abe Doctrine" in a speech he will deliver at a meeting with the six ASEAN foreign ministers Thursday before he flies home. The Manila trip is Abe's 39th overseas tour since becoming foreign minister in November 1982, and he plans to use the occasion to highlight his "creative diplomacy" -- a search for a more positive role in Japan's external relations. The ASEAN-Japan meeting is part of a series of talks ASEAN is holding with its dialogue partners following its annual foreign ministerial conference, which ended Tuesday. Japanese diplomatic sources say Abe is expected to pledge continued economic assistance to the region and assistance to promote the flow of technology transfers.

In response to requests from ASEAN countries, the Japanese government is considering relief measures to lessen the growing burden of interest payments on yen-denominated credits as a result of a stronger yen. Abe is expected to face pressure from ASEAN to boost bilateral trade and correct what they feel is Japanese reluctance to buy manufactured and semi-manufactured goods from the region. The ASEAN foreign ministers signaled their displeasure Wednesday structural imbalance in Japan-ASEAN trade. ASEAN piled up nearly 9 billion dollars in trade surplus with Japan last year, but the surplus came exclusively through Japan's oil and raw material imports. The ASEAN members want Japan to buy more manufactured goods as part of their policy to reduce reliance on raw material exports.

DHANABALAN SPEAKS AGAINST CONSENSUS

HK230503 Hong Kong AFP in English 0344 GMT 23 Jun 86

[Text] Manila, June 23 (AFP) -- Singapore Foreign Minister Suppiah Dhanabalan suggested Monday that Southeast Asian nations should abandon their requirements of absolute consensus for economic decisions. "Innovation is not possible when consensus is based on the lowest common denominator," Mr. Dhanabalan told a meeting of foreign ministers of the Association of Southeast Asian Nations (ASEAN) here. "Now that ASEAN has expanded to six members, we need all the more to consider seriously what we may call a 'six minus x principle,'" Mr. Dhanabalan said in his opening statement.

If some member countries were involved in a particular activity and the interests of other members were not harmed "then those who agree should be allowed to proceed." This would not divide ASEAN, but would be a way of "propelling ASEAN ahead into new heights of cooperation," because "members would then have the option of choosing the timing of their own involvement," he said.

Hitherto, ASEAN, which groups Singapore with the Philippines, Brunei, Indonesia, Thailand and Malaysia, had required full consensus for all decisions. But "bold measures and tough decisions are more likely to be taken if there is greater flexibility and tolerance in ASEAN's system of economic decision-making," Mr. Dhanabalan said.

He said that the high growth rate of ASEAN economies in the past and meant that "we are not particularly concerned with the lack of progress in intra-ASEAN economic cooperation. But current economic problems such as falling commodity prices and increased protectionism by developed countries created the need for more economic cooperation, he said.

At the same time, technological development had meant that "abundant and relatively cheap labor no longer guarantees competitiveness in the world market." "We should not delude ourselves that the task of increasing economic cooperation will be an easy one, as member-countries have different economic interest," Mr. Dhanabalan said. He called for "a candid dialogue" on the issue.

On the Cambodia problem, Mr. Dhanabalan said that with ASEAN already backing an eight-point plan for a political solution, "I do not... see any need for ASEAN to make new proposals at this ministerial meeting."

EPA REPORTS MINUS GNP GROWTH IN FIRST QUARTER

OW240848 Tokyo Kyodo in English 0824 GMT 24 Jun 86

[Text] Tokyo, June 24 Kyodo -- Dampened by slumping exports, Japan's gross national product (GNP) in the first quarter of 1986 declined 0.5 percent in real terms from the previous quarter for the first minus quarterly GNP growth in 11 years, the Economic Planning Agency (EPA) said in a preliminary report Tuesday. The figure translates into a 2.1 percent fall in annual terms, and is the first minus quarterly figure since the first quarter of 1975, when the GNP showed a 0.8 percent quarterly fall.

However, the annual GNP growth in fiscal 1985 ended last March stood at 4.2 percent in real terms from a year ago, unchanged from the government's earlier forecast. It compared with a 5.0 percent annual rise for the previous year, the agency said. In nominal terms, unadjusted for inflation, the GNP figure in the last fiscal year showed a 5.9 percent annual increase, up 0.2 percent from the government's forecast of 5.7 percent, EPA officials said.

Import prices declined on lower prices of primary goods and the higher value of the yen against the dollar but domestic commodity prices have not yet fully reflected the decline, which explains the 1.7 percent gap in the real and unadjusted figures for GNP growth in fiscal 1985, they said.

Itemwise, exports in the quarter fell a substantial 4.9 percent in real terms from the previous quarter, largely due to slow shipments of automobiles, the officials said. Because of Japan's voluntary export restraint, automobile exports were high in the April-June period but the quota pattered out in the last quarter of the fiscal year, they said.

Personal spending rose 0.7 percent from the previous quarter on stabilized commodity prices. Private housing investment increased 2.5 percent. The increase in private capital investment shrank to 0.3 percent from 2.5 percent in the previous quarter and its future trend should be watched carefully, the officials said. Private inventories fell 3.7 percent from the previous quarter, compared with a 4.0 percent rise for the last quarter of 1985, as distributors' stocks which had piled up in the October-December quarter sold well, they said.

"Personal spending and housing investment will continue their upswing in the April-June period and the GNP will not further decline in the next quarter," one official predicted. Japan's GNP in nominal terms stood at 321,065 billion yen in the last fiscal year.

Itemwise, private capital investment scored real growth of 12.6 percent from the previous year, but if the newly privatized Nippon Telegraph and Telephone Corp. (NTT) and Japan Tobacco Inc., are excluded, the figure is around 9 percent, the officials said. Private housing investment rose 3.7 percent and private spending advanced 2.7 percent. However, exports in fiscal 1985 only rose 2.2 percent in real terms from a year earlier, down sharply from a 15.8 percent surge for the previous fiscal year.

Of the 4.2 percent real GNP growth rate for fiscal 1985, the domestic sector accounted for 3.5 percent and the external sector 0.7 percent. Japan's dependence on domestic demand rose from fiscal 1984, when domestic demand accounted for 3.7 percent and external demand 1.3 percent, realizing the 5.0 percent real growth in GNP.

SUMITA RULES OUT ANOTHER DISCOUNT RATE CUT

OW250621 Tokyo KYODO in English 0546 GMT 25 Jun 86

[Text] Nagoya, June 25 KUODO -- Bank of Japan Governor Satoshi Sumita Wednesday ruled out the possibility of making a fourth cut of the year in the official discount rate to perk up the economy following Tuesday's report of an unusual 0.5 percent decline in the country's gross national product in the first three months of 1986 -- the first negative quarterly growth in 11 years. Sumita told reporters during his visit to Nagoya that he does not believe the Japanese economy will continue to deteriorate, judging from the fact that consumer spending and capital investment in plant and equipment by non-manufacturing sector have remained firm.

The central banker said the bank carried out the previous three cuts in the official discount rate in anticipation of the emerging economic slump and that the pump-pricing effects of these lower interest rates will surface from now on. Citing the current relaxed money supply condition, Sumita stressed the need to keep a "lookout" -- meaning for inflation -- in the wake of a recent upsurge in land prices, although the money supply has not yet reached a level of excess liquidity.

Sumita expressed hope that the stable fluctuation of the yen-dollar exchange rate in recent weeks will be maintained. The dollar has remained in a narrow trading range of 166-168 yen in the past few weeks.

STEPS TAKEN TO REDUCE TRADE IMBALANCE WITH PRC

OW210553 Tokyo KYODO in English 0530 GMT 21 Jun 86

[Text] Tokyo, June 21 Kyodo -- China and Japan took two steps toward reducing China's 6 billion dollar trade deficit with Japan in talks held here this week. Sources at the Ministry of International Trade and Industry (MITI) said Saturday that twin organizations aimed at boosting Chinese exports to Japan have been set up in the two countries.

In the other related move, Japan will set up a "Japan-China Trade Expansion Council" to deal with the problem on a more general basis, the sources said.

The moves were finalized at talks held here Friday between MITI Minister Michio Watanabe and Ji Shia, visiting chairman of the China Council for Promotion of International Trade, they said.

The twin groups, established simultaneously in Tokyo and Beijing, will specifically study joint development of Chinese mineral and agricultural resources, with a view to exporting to Japan. The groups will also consider if China's machinery, textile and other manufacturing industries might offer products better suiting Japanese needs, the MITI sources said.

Eishiro Saito, chairman of the Federation of Economic Organizations (Keidanren), will lead the Japanese importing group, while Ji himself will head the Chinese exporting group, they said.

The groups were set up in response to a request made by Chinese strongman Deng Xiaoping to a visiting Japanese trade delegation last December. Among members of the Japanese group are the heads of some 50 China-related firms, including steelmakers, home electric appliance and nonferrous metal producers, and electric power operations, plus leaders of government corporations and banks, the sources said.

In the other move, Komatsu Chairman Ryoichi Kawai was named to lead the planned Japan-China trade expansion council, which will include over 100 trading houses, transport firms and electric appliance makers, they said. That group will be divided into seven or eight sections, among them textiles and nonferrous metals, for individual consultations on export promotion with Chinese firms, they explained. Kawai led a Japanese trade delegation to China late last month.

More PRC Investments Urged

OW240914 Tokyo KYODO in English 0902 GMT 24 Jun 86

[Text] Osaka, June 24 KYODO -- A senior Chinese official Tuesday asked Japan to expand its investments in China while stressing that its open-market policy will not change. Jia Shi, head of the China Council for Promotion of International Trade, who is leading a trade mission to Japan, made the request at a meeting with Hosai Hyuga, chairman of the Kansai Economic Federation, and other business leaders in western Japan.

He expressed the strong hope that Japan will increase its imports from China to rectify the bilateral trade imbalance, which was 6 billion dollars in Japan's favor last year. "We want to correct the imbalance through active expansion of trade," Jia said. He promised to make greater efforts to promote exports to Japan by improving the quality of products, establishing a system of stable supply and construction of production bases.

Hyuga said business leaders in western Japan will send a mission to China in September in an effort to help ease the trade imbalance between the two countries.

NAKASONE ON TALKS WITH U.S.; TEXTBOOK ISSUE

OW230515 Tokyo KYODO in English 0510 GMT 23 Jun 86

[Text] Showa, Yamanashi Pref., June 23 KYODO -- Prime Minister Yasuhiro Nakasone said Monday he plans to hold working-level talks with the U.S. on structural adjustments to the Japanese economy after the July 6 elections of both houses of the Diet. Nakasone, here on a stumping tour for the double elections, indicated that negotiations are now taking place with a view to holding the talks in late July following agreement reached in his meeting with President Ronald Reagan when he visited the U.S. in April.

Nakasone said Japan will suggest cooperation with the U.S. to help cut its trade deficit with Japan, increase its exports and adjust yen-dollar exchange rates. He said Japan will steadily implement its economic structural adjustment based on a report compiled in April by an advisory panel. Nakasone also said he believes the yen's sharp appreciation will have a remarkable effect on Japan's trade surplus between now and the autumn.

On a controversial high school history textbook problem under fire by China and other Asian countries for its accounts of Japan's military activities before and during World War II. Nakasone said the textbook is now undergoing a final review prior to its authorization. The textbook, compiled by a conservative group called the "National Council to Protect Japan," is expected after its review to get international understanding, Nakasone said.

Referring to the expiration of his term as president of the ruling Liberal-Democratic Party, Nakasone denied he dissolved the lower house for a general election in a bid to achieve a third two-year term as leader, which is currently banned by party rules.

Questioned about his avowed aim to achieve a "settlement of accounts" in postwar Japanese politics, Nakasone said he means to "overhaul" the nation through various reforms to enable it to advance toward the 21st century.

ASIA SEES MORE STABLE TIES POST-NAKASONE

OW240227 Tokyo KYODO in English 0157 GMT 24 Jun 86

[Text] Tokyo, June 24 KYODO -- If the Japanese July 6 double parliamentary election brings about an end to the Nakasone era, it could result in a more stable relationship between Japan and the East and Southeast Asian region, according to Asian diplomatic sources here. With Japan now embarking on a more active role internationally, any new leader would have to be active in foreign policy, as Prime Minister Yasuhiro Nakasone has been, they said.

Most countries in Asia complain that Nakasone has failed to meet their expectations. "We feel he considered American affairs more important than problems of the developing world," said a senior diplomat from a member of ASEAN (the Association of Southeast Asian Nations) which groups Thailand, Malaysia, Indonesia, Singapore, the Philippines and Brunei.

A new leader, especially if it is Shintaro Abe, the present foreign minister who is well known in Asia, could mean a more balanced, if perhaps quieter approach, according to the diplomat, who asked not to be named. Serving as foreign minister since November 1982, Abe has promoted what he calls "creative diplomacy" and made much of Asian countries. The "Abe Doctrine" which he delivers in Manila at an ASEAN foreign ministers' meeting will elevate his position among them even more. "We feel that this special pronouncement is a move initiated by Abe himself, even though he is following Nakasone's policy of getting Japan to or up," said another ASEAN official.

Though not expected to bring about wonders, the "Abe Doctrine" is an indication that the ASEAN has become an important region to Japan, he explained. Outlining recent Asian disappointments over Nakasone, the diplomat said that the May Tokyo summit of the seven main industrial democracies brought no concrete measures to help their badly hit economies.

Nakasone, as leader of the only Asian nation in the advanced world, failed to persuade Western leaders at the summit to find ways to improve price for Asian primary products or to end the protectionist sentiment now prevalent among the rich countries that is affecting their export markets, he said. "Japan was more preoccupied with international terrorism and the Chernobyl incident," he added.

Yet the Japanese prime minister, with his flair for foreign affairs, has taken positive steps to remedy Asian problems. His policy that Japan must open its markets to ease its trade surplus goes beyond vague promises. Under his leadership Asian imports have been given a boost in the form of lower tariffs and there have been more import promotion events such as fairs as well as encouragement by the government for more Japanese investment in ASEAN, say Asian economic officials.

The "Makava Report," an advisory panel's plan for restructuring the economy which Nakasone last month adopted as government policy, and which recommended an increase in overseas aid, singling out the ASEAN countries for specific benefits, was also welcomed by Asian officials.

Nakasone's positive approach to foreign policy, say Asian lobbyists, has brought about historic visits to Japan by foreign leaders and corresponding visits overseas by Nakasone and his cabinet ministers. The visit of South Korean President Chon Tu-hwan to Tokyo in 1984, in return for Nakasone's Seoul visit in 1983, was historic because it was the first such exchange since World War II, and put relations between the two countries on a firmer footing.

His official visits to India and Pakistan in 1984 were the first made by a Japanese leader in more than 10 years, and opened up for Japan a wider area for personal contacts in Asia, extending beyond its immediate neighbors. His initiative brought a return visit to Japan by Indian Prime Minister Rajiv Ghandhi. Both Japanese and Indian industrialists say this has brought about a better business relationship between the two countries.

Under Nakasone, steps to develop Japan-China relations have also been heightened. Technical, economic and cultural exchanges have been increased between them. "But his efforts have not proved he is a genuine friend," said one Chinese political commentator. Although friendship between the two nations has steadily improved under Nakasone's leadership, his philosophy on political and security matters has awakened suspicions that a revival of militarism in Japan is not far from his mind, the Chinese explained.

The new high school history textbook currently arousing controversy, which has yet to be finally approved by the Education Ministry, has been criticized by China and South Korea as containing distortions of the facts about Japanese military actions against them before the during World War II.

Nakasone's official visit last August to Yasukuni Shrine in Tokyo, which is dedicated to Japanese war dead and at which convicted World War II war criminals are also enshrined, drew such antagonism from China that he canceled a second planned visit. On the other hand, Abe as foreign minister has particularly stressed conciliation. "When anti-Japan and anti-Nakasone slogans were being shouted by students on the streets of China it was Abe who flew over and met with his Chinese counterpart Wu Xueqian," said the Chinese source.

The ruling Liberal Democratic Party's foreign policy will not doubt dominate Japan's relations with its Asian neighbors in the future irrespective of whether a new prime minister emerges, say Asian political analysts. But with the recent appreciation of the yen and Japan's growing trade surplus things will have to change. Japan can no longer ignore the importance of playing a role which is fair to every part of the world, they say.

INTERMINISTRY INTELLIGENCE GROUP PLANNED

OW211041 Tokyo KYODO in English 1028 GMT 21 Jun 86

[Text] Tokyo, Jun 21 KYODO -- The government will establish a new interministry staff of intelligence officers to study military and security development at home and abroad, officials said Saturday. They said the new group will be inaugurated July 1 when the secretariat of the prime minister's office will be reorganized.

The group will bring together intelligence experts from the Foreign Ministry, the National Police Agency, the Public Security Agency and the Defense Agency. It plans to hold a meeting every month and the first session will be held in early July with Deputy Cabinet Secretary Shoichi Fujimori acting as chairman.

The recent rocket attack in Jakarta following the Tokyo summit of Western industrialized nations and ways to cope with such violent actions by radicals will be discussed at the session the officials said. The Jakarta incident was the first such attack by the radical Japanese Red Army in about nine years -- since the hijacking of a Japan Air Lines plane in Dacca, Bangladesh, in September 1977.

The new intelligence organization is designed to eliminate sectional barriers between government ministries in promoting intelligence activities, the officials said. Establishment of an expert staff to cope with emergencies was proposed in a recommendation made by a council to promote administrative reforms last July.

IAEA INSPECTORS CONTAMINATED DURING TOUR

OW231410 Tokyo KYODO in English 1346 GMT 23 Jun 86

[Text] Tokyo, June 23 KYODO -- Twelve people, including a U.S. inspector of the International Atomic Energy Agency (IAEA), were exposed to plutonium, the deadly nuclear material, at a facility of Japan's Power Reactor and Nuclear Fuel Development Corp. Monday morning, a corporation spokesman said. But the spokesman added that the levels of radiation the 12 people received were not high enough to cause any health problems.

The corporation withheld the identities of the American, another inspector from Japan's Science and Technology Agency and 10 Japanese subcontracted workers. The 12 people were exposed to plutonium while sealing cans which contained the nuclear material. They found plutonium leaking from one of the stainless steel cans in the storage room of the corporation's plant at Tokaimura, northeast of Tokyo. The can is 10 centimeters tall and five centimeters in diameter.

IAEA experts inspect the facility once every two weeks to prevent plutonium, the major material used in producing nuclear bombs, from being used for military purposes. The accident occurred at 11:30 a.m. and the 12 people were not using masks at the time because they are not normally required to do so in the storage room, the spokesman for the Tokyo-based corporation said.

He said readings of plutonium absorbed by the 12 people reached up to 170 picocuries. But this is much lower than the maximum permissible level of plutonium radiation set by the International Commission on Radiological Protection (ICRP), the spokesman added. Corporation officials said they sealed off the storage room and that plutonium did not leak out of the facility.

The IAEA was founded in 1957 in Vienna as an autonomous intergovernmental agency.

Caused by Damaged Covers

OW250759 Tokyo KYODO in English 0736 GMT 25 Jun 86

[Text] Tokyo, June 25 KYODO -- A plutonium leak which affected 12 people Monday at Tokaimura was found to have been caused by fissures in vinyl covers which sealed a can containing plutonium oxide, the Power Reactor and Nuclear Fuel Development Corporation said Wednesday. The corporation suspects the vinyl covers developed fissures when they were removed for inspection due to effect of heat and radiation emitted by plutonium.

The 12 people including a U.S. inspector sent by the International Atomic Energy Agency (IAEA) were exposed to plutonium in the corporations storeroom at Tokaimura, Ibaraki Prefecture. The stainless can containing 2.6 kilograms of plutonium oxide was covered and sealed by three vinyl covers and cracks up to 10 centimeters long were found in two of the covers, which hardened and stuck to the can, the corporation said.

The accident raised the possibility of the corporation's neglect in safety control on plutonium. The corporation said the life of such vinyl covers is five years under its safety standard but the covers in question have been used for only one and a half years. The corporation will examine all other cans containing plutonium oxide in the storeroom at the Tokaimura plant.

NEW ENVOYS TO HUNGARY, TURKEY NAMED

OW240133 Tokyo KYODO in English 0118 GMT 24 Jun 86

[Text] Tokyo, June 24 KYODO -- Ryozo Mogi, currently envoy to Panama, succeeds Kazuo Wachi as ambassador to Hungary, the Foreign Ministry said Tuesday. Wachi replaces Shinichi Sugihara as ambassador to Turkey.

Mogi, 62, has been ambassador to Panama since March 1982, after serving as embassy minister in Bonn and consul general in Toronto.

Wachi, 60, has been envoy to Hungary since January 1983, after serving as consul general in Karachi and ambassador to Nigeria.

The former ambassador to Turkey, Sugihara, is returning to Tokyo.

KPA PROPOSAL SEEN AS STEP TO SAVE NATION

SK250339 Pyongyang Domestic Service in Korean 0930 GMT 24 Jun 86

[Unattributed talk: "A Measure for National Salvation To Remove the Danger of War and Open the Road of Peace and Peaceful Reunification"]

[Text] The great leader Comrade Kim Il-song has taught: The state of military confrontation between the North and South and the strained situation should be, above all, removed to improve the relations between the North and South of Korea and promote the peaceful reunification of Korea.

As has already been reported, the KPA Supreme Command proposed that talks among persons in military authority involving the DPRK minister of the People's Armed Forces, the commander-in-chief of the UN Forces in South Korea, and the South Korean defense minister, and took the measure of sending letters, containing concrete overtures, to the other side in connection with the proposal.

The DPRK minister of the People's Armed Forces sent a letter, containing the proposal to discontinue military exercises and arms buildup -- a direct cause of the aggravation of tension and the danger of war -- the proposal to reduce military forces and armaments, and the proposal to abide by the Korean Armistice Agreement as demanded by its original text. In addition, it emphasized to both the commander-in-chief of the UN Forces, and the South Korean minister the position of mutual discussions of any questions raised if they help to ease the tension on the Korean peninsula.

Our new proposal of peace has become an epochal nation-saving measure to remove the danger of war from Korea and open the door to peace and peaceful reunification. The reason is, above all, that our proposal of peace is the most reasonable way for realizing alleviation of military tensions at present.

As everyone knows, the armed forces confronting each other over the Military Demarcation Line have reached the highest number since the truce. Mutual distrust and military confrontation caused by this are entering the most serious phase. The U.S. troops in South Korea and the South Korean Army are assuming a higher combat-ready posture than ever before on all fronts along the Military Demarcation Line so that they can launch a war at any moment. A precarious situation, in which the spark of war can be touched off by even a slight accident, is being created in the frontal area where a huge number of armed forces of the North and South confront each other in an acute manner.

War is not a problem of tomorrow, but an imminent danger of today on the Korean peninsula. There is no doubt that, if war breaks out in Korea, it will not only plunge all of Korea into nuclear calamity, but will also drive Asia into a war disaster and destroy world peace.

The strained situation on the Korean peninsula should be eased promptly and war should be averted at any cost. Our people in the North and South should live peacefully and our country should certainly be reunified in a peaceful way. This is the unanimous desire of the Korean people who suffered from immeasurable disaster in the 3-year war and have lived amid the pain of national division and the constant danger of war for 40 years.

Easing the intensely strained situation and removing the danger of war in Korea has become the key question whose solution can no longer be delayed. A measure for alleviation of tension must certainly be adopted in the military field to solve this acute question. To this end, those who have real military power in the North and South should sit at the same table and hold sincere talks. Only then can practical measures to ease the strained situation and remove the danger of war be taken.

Proceeding from this, the KPA Supreme Command set forth a new epochal peace proposal to ease the strained situation in Korea. As clearly recognized through the letters of the DPRK minister of the People's Armed Forces, all questions that we intend to discuss at talks among persons in military authority are directly connected with the causes of aggravating tension and increasing the danger of war in Korea.

Therefore, if such questions are solved through talks among persons in military authority, an epochal phase can be opened in removing the strained situation and the danger of war in Korea. This graphically shows that our new peaceful proposal becomes an important nation-saving measure to ease tension and to remove the danger of war in Korea.

Another reason why our new peaceful initiative becomes an important nation-saving step is that it is an effective way to make it possible to restore the presently suspended North-South dialogue in various areas and turn from the atmosphere of mutual distrust to the road of peace and peaceful reunification.

As shown by historical experience, in an unstable situation ride with the danger of war distrust and hostility cannot be abated, and no advance in North-South dialogue or settlement of the question of reunification can be expected.

We have consistently made all sincere efforts to advance the hard-won North-South dialogue and, this year, decided to stop large-scale military exercises and discontinue all military exercises during the period in which dialogue is under way. This was done to create a favorable atmosphere for dialogue and active endeavors were made to implement this policy.

Having laid artificial obstacles in the way of dialogue through shooting incidents and war exercise rackets in the past, however, the United States and the South Korean authorities plunged North-South dialogue again into a serious state of suspension by replying to this policy with "Team Spirit-86," the largest-scale war exercise in history, while vociferously clamoring about the nonexistent threat of southward invasion. This clearly shows that alleviation of military tension is a primary condition for advancing North-South dialogue in a favorable atmosphere and on the basis of mutual trust and peacefully solving the Korean question. Therefore, our peaceful initiative becomes an epochal nation-saving step which makes it possible to remove the danger of war in Korea and begin a favorable phase for solving the problem of peace and peaceful reunification by realizing reduction of military tension.

At present, our peaceful initiative is arousing great support and welcome at home and abroad because it fully reflects the aspirations of the Korean people and the world's progressive people for peace and peaceful reunification and because it is a most reasonable and aboveboard proposal.

The United States and the South Korean side should respond positively to our peaceful proposal and sincerely solve the question of easing tension together with us at the site of talks among persons in military authority.

The world's people are keenly watching what attitude the United States and the South Korean side will take toward our peaceful proposal and, through this opportunity, will clearly test again, whether the United States and the South Korean side want peace or war.

NEED FOR DIALOGUE, REDUCTION OF TENSION STRESSED

SK241310 Pyongyang Domestic Service in Korean 0837 GMT 23 Jun 86

[Unattributed talk: "Halting Military Exercises and Military Buildup Is a Precedent Demand for the Alleviation of Tension"]

[Text] As has been reported, the KPA Supreme Command has proposed the holding of talks of military authorities to be participated in by the minister of the People's Armed Forces of the DPRK, the commander in chief of the UN Forces in South Korea, and the minister of national defense of South Korea.

In accordance with the step taken by the KPA Supreme Command, the minister of the People's Armed Forces of the DPRK sent to the opposite side letters which contain the specific content proposed for the talks.

In the letters, our side has proposed the discussion of the question of halting military exercises and military buildup, which are the direct cause of the aggravation of the situation and of the danger of war; the question of reducing troops and armaments; and the question of respecting the Korean Armistice Agreement as demanded by the original agreement.

Discussing all these questions at the talks between military authorities is urgently needed in order to prevent the danger of war and alleviate tension. The proposal to halt military exercises and military buildup alone fully shows this. The urgency of this question of alleviating tension in the country is clearly shown by the historic experience in the past dialogue and contacts between the North and the South.

The great leader Comrade Kim Il-song has taught: Under the circumstances in which the North and the South confront one another with the muzzles of their guns directed against each other and the danger of fratricidal war is looming, no North-South dialogue and contact can achieve positive result, and genuine unity and reunification of the nation cannot be achieved.

Various dialogues and contacts have been held in the past between the North and the South. However, no substantial achievement was won. This is attributable to the insincere attitude that the South had adopted toward dialogue and because the U.S. imperialists and the puppets had indulged in maneuvers of confrontation and war.

As has been made known, thanks to our positive and persistent efforts, North-South economic talks were arranged in the fall of 1984, and the contact between the Red Cross organizations of the North and the South was resumed.

Nevertheless, because of the Panmunjom firing incident by the United States and the South and because of the "Team Spirit-85" war exercise commotions, the North-South dialogue which had been arranged with so much effort was suspended for a long period. In addition, the North-South economic talks, Red Cross talks, and preliminary contacts for North-South parliamentary talks held last year through our sincere efforts were all suspended at the beginning of this year because of the large-scale joint military exercise between the U.S. imperialists and the puppets.

In reality, under the circumstances in which provocative war exercise are staged against the opposite side to dialogue by mobilizing huge armed forces and even nuclear weapons, how can dialogue be held?

For successful North-South dialogue and contact, a measure of alleviation is necessary in the military field. Only when tension is eliminated and a measure of alleviation is taken in the military field can dialogue be held in a favorable atmosphere and a clue to peace and reunification be found in which the opposite side in dialogue is continually threatened military, face to face discussions are not suitable and no success can be expected, even if face-to-face contact is realized.

The reason that the question of halting military exercises and military buildup is presented as a priority demand is also because of the tense situation in our country. At present, the situation of our country has been extremely aggravated. Last year alone, the United States introduced new nuclear weapons and chemical weapons into South Korea and stockpiled war material reserves worth nearly \$400 million. At the same time, it extensively hurled into South Korea marine combat troops specialized in landing operations and mobile tank units for ensuring the speed of offensive operations.

The operational combat plan of the puppet army and their command system have been reorganized for a war of northward invasion, all puppet armed forces have been strengthened for offensive operations, and 180,000 commandos have been organized. At the same time, 80 to 90 percent of the U.S. and puppet troops have been deployed forward in the areas close to the Military Demarcation Line, and underground tunnels have been dug toward the North in some places. In addition, in South Korea, even following the "Team Spirit-86" war exercise, war exercises such as "Ttangbol" and "Flying Tigey" continued. Recently, a so-called joint naval exercise between the U.S. 7th Fleet and the puppet navy was also staged in the East Sea of Korea.

All these undisguised war maneuvers in South Korea are extremely aggravating to the situation of the country. As a result, in our country, the danger that even a small accidental incident could ignite a new war -- a nuclear war -- is being created. This situation urgently demands that military exercises and military buildup be halted on the Korean peninsula and tension be alleviated there.

The concerned parties who should settle this urgent question are those who hold real military power in the North and the South. If the military authorities in the North and the South get together at the same place and hold sincere discussion from a peace-loving stand, the state of confrontation between the North and the South can be ably eliminated a new prospect for peace and peaceful reunification opened.

The United States and the South Korean authorities should positively respond to the peace initiative which we have put forth this time.

VNS URGES SUPPORT OF KPA TALKS PROPOSAL

SK240247 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 20 Jun 86

[Station Commentary]

[Text] Today we are going to talk about the North's proposal for talks among military persons in authority.

As has already been reported, in accordance with the initiative of the KPA Supreme Command, the North's minister of the People's Armed Forces, O Chin-u, on 17 June proposed holding talks between the North and South among military persons in authority and the commander of the United Nations Forces in South Korea to alleviate tension on the Korean peninsula, to end the state of military confrontation, to solidify peace, and to create a good atmosphere for peace talks. Letters were sent to Defense Minister Yi Ki-paek and Commander Livsey.

Minister of the People's Armed Forces O Chin-u noted that [words indistinct] and that this has brought all North-South dialogue to a state of a deadlock, created a tense situation in which a war could again break-out, and caused deep concern among all fellow countrymen and the entire world. He stressed that to remove the imminent danger of war created in such a situation and to provide a new phase for peace and peaceful reunification, it is desirable that the parties discuss and probe the urgent measures and reasonable ways to help ease tension, if not to bring about a fundamental solution to the problem of peace. He proposed holding tripartite talks among military persons in authority, including the North's minister of the People's Armed Forces, the South's minister of National Defense, and the commander-in-chief of the UN Forces in South Korea, to discuss and solve pending problems, such as a halt to military exercises and arms buildup, a reduction of troops and armaments, and an observance of the armistice agreement. In the letter the North also made it clear that the talks can also cover any proposal put forward by the U.S. and South side if they serve to alleviate tension on the Korean peninsula.

This proposal of the North is important as it is designed to probe for realistic steps to alleviate tension, prevent the danger of a new war, and open a new phase for peace and peaceful reunification and the resumption of North-South dialogue. It is a reasonable and persuasive proposal that everyone can accept; no one should have any reason to reject it. In other words, the North's proposal for tripartite talks among military persons in authority is a remarkable proposal which reflects a serious position and sincere attitude to provide a basis for peace and peaceful reunification of the Korean peninsula and to alleviate tension and bring about a breakthrough toward reunification.

It is natural that opinion at home and abroad reacted with enthusiastic sympathy toward the North's letters as soon as their contents were revealed.

As the entire world knows, the problems of the Korean peninsula essentially concern reunification. Bringing an end to the tragedy of division and reunifying the country peacefully is the greatest task and vital interest of the nation and cannot be put off any longer. However, the danger of war in this land blocks the road to reunification. The great precondition for solving the problem of reunification is to alleviate tension, to eliminate the danger of war, and to guarantee lasting peace in our country.

Vast armed forces have been deployed by the North and South along the truce line, and the recurrence of war is an imminent threat. On the Korean peninsula today, a serious problem is more of war and peace than [words indistinct], because the problem of war and peace is directly related to the life-and-death problem of the nation upon which the survival of the people and the fate of the nation depends. Without peace, the survival of the nation cannot be guaranteed, the reunification of the country cannot be realized, and we cannot hope to resume dialogue for reunification.

The most acute problems before us in the grave situation which prevails is alleviating the acute tension and bringing an end to confrontation. Above all, a step to alleviate tension should be contemplated between the North and South in military fields, so that we can find a way to peace and the peaceful reunification of the Korean peninsula and open the bright prospective of dialogue which is now in a state of deadlock. It is for this reason that the North, on 11 January, proposed that large-scale military exercises be called off and that all military exercises be stopped during the entire period of dialogue, and called on the South Korean and U.S. authorities to affirmatively respond.

Under the current tense situation, to prevent the danger of war recurring, the military steps that give vitality to alleviating tension between the North and South and ending confrontation should be urgently considered, even though a complete and comprehensive solution to the issue of peace may be difficult to achieve. Also during circumstances in which MAC is not able to perform its function sufficiently, a practical step should be probed to solve the problems outside its periphery as well.

Therefore, the North's proposal for holding tripartite talks among military persons in authority to discuss and quickly solve the most pressing and urgent problems to prevent war and alleviate tension is a just and peace-pursuing initiative.

Our people and the world's peace-loving masses are closely watching the attitude of the South Korean and U.S. authorities toward the North's initiative. If the United States and the Chon Tu-hwan group really desire peace, peaceful reunification, and realistic progress in alleviating tension on the Korean peninsula, they should affirmatively respond to the North's proposal for talks among military persons in authority without delay.

U.S., SOUTH SCORED FOR 'SLANDERING' INITIATIVE

SK231024 Pyongyang KCNA in English 1008 GMT 23 Jun 86

[Text] Pyongyang June 23 (KCNA) -- The United States and the South Korean side are slandering our peace initiative on holding talks between the military authorities, babbling that it is a "propaganda" and "not constructive", far from deeply studying it and giving a positive response to it. A signed commentary of MINJU CHOSON today brands this as a base trick to mislead public opinion at home and abroad.

Noting that if our proposal is realised, it will undoubtedly make a great contribution to easing the tension and removing the confrontation on the Korean peninsula, it says:

But the United States and the South Korean side are speaking ill of the DPRK proposal even before discussing it with us at one table. This is not a stand and attitude to solve the problem.

Whether the United States and the South Korean side respond to our proposal for talks between the military authorities or not will be a touchstone showing whether they want peace or war in Korea. They must not carp on our fair proposal for talks between the military authorities but respond to it at an early date.

KIM IL-SONG REUNIFICATION WORK CITED IN ARTICLES

SK231048 Pyongyang KCNA in English 1028 GMT 23 Jun 86

[Text] Pyongyang June 23 (KCNA) -- NODONG SINMUN and MINJU CHOSON today dedicated editorial articles to the 13th anniversary of the publication of the historic work of the great leader President Kim Il-song "Let Us Prevent a National Split and Reunify the Country" (June 23 1973).

President Kim Il-song in his work put forward the five-point policy for national reunification as a new nation-saving step to smash the scheme of the U.S. imperialists and their stooges to keep Korea divided permanently and promote the cause of the independent and peaceful reunification of the country.

The main content of this policy is to remove military confrontation and lessen tensions between North and South, to realize many-sided cooperation and interchange between North and South, to convene a great national congress comprising representatives of people of all strata, political parties and social organizations in North and South, to institute a North-South confederation under the single nomenclature of Confederal Republic of Koryo, and to enter the United Nations under the single nomenclature -- Confederal Republic of Koryo.

Along with the three principles of national reunification, independence, peaceful reunification and great national unity, this policy constitutes a powerful motive force in accelerating our people's cause of national reunification, NODONG SINMUN says, and goes on:

We have made all efforts to realize this policy, but failed to reap desired fruit.

This is directly ascribable to the "two Koreas" plot and confrontation policy of the U.S. imperialists and the group of Chon Tu-hwan who has emerged as a military fascist dictator of South Korea under their patronage.

In recent years our people are exposed to the danger of a new war plus sufferings of division, owing to aggressive and war provocation manoeuvres of the U.S. imperialists and their stooges which have become extremely unscrupulous.

It is a pressing task to remove the acute military confrontation and lessen tension between the North and the South.

Only recently the Supreme Command of the Korean People's Army took an important peace initiative to have talks between the military authorities involving the minister of the People's Armed Forces of the DPRK, the commander-in-chief of the U.S. forces in South Korea and the South Korean defence minister.

Our proposal is to do work helpful to detente even though the fundamental solution of the Korean problem is difficult at present and it is that those who hold real military power meet face to face and find out ways of solving questions as the Military Armistice Commission does not discharge its function and responsibility properly.

As those responsible for the tense situation on the Korean peninsula, the United States and the South Korean authorities must respond to our new peace proposal for detente.

VNS VIEWS KIM IL-SONG WORK, KPA PROPOSAL

SK242241 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 23 Jun 86

[Special article from the "Feature Program": "Let Us Achieve the Reunification Cause Under the Banner of the Anti-U.S. Struggle for Independence"]

[Text] The date 23 June is a significant day marking the 13th anniversary of the publication by the great President Kim Il-song, the sun of the nation, of the immortal classical work "Let Us Prevent National Division and Reunify the Country." This work was published at the time when the Pak Chong-hui ring, the previous dictator, refused to implement the three principles for national reunification -- independence, peaceful reunification, and great national unity -- clarified through the 4 July North-South Joint Statement, and came up with the policy of the simultaneous entry into the United Nations of the North and South in a bid to legalize its two Koreas plot, thereby creating a new obstacle on the road of national reunification.

In this work, the great leader scientifically analyzed the complicated situation created by the splittist maneuvers of the United States and the South Korean rulers and presented the 5-point policy for national reunification as a new measure for national salvation to prevent division and to promote reunification. Thus, he elucidated a shortcut to reunification.

The great President Kim Il-song has taught: The content of our 5-point policy for national reunification includes the elimination of military confrontation between the North and South, alleviation of tension between them, realization of multilateral collaboration and exchange between the North and South, convocation of a great national conference composed of representatives of the people of all strata, political parties, and public organizations in the North and South, enforcement of a confederal system between the North and South under the single name of the Confederal Republic of Koryo, and the entry of the North and South into the United Nations under the single name of the Confederal Republic of Koryo.

The 5-point policy for national reunification, which clearly elucidated ways to alleviate tension on the Korean peninsula, to eliminate distrust between the North and South, to preserve peace, and to achieve national unity, was an epochal measure for national salvation to remove the barrier of national division and to open the way for national survival by embodying the three principles -- independence, peaceful reunification, and great national unity.

Because of its justness, the 5-point policy for national reunification, which reflected the aspiration of the nation and the demands of the times, won active support not only from our masses but also from the international community. The 5-point policy for national reunification was also a powerful driving force encouraging the patriotic zeal of the brethren and promoting the cause of reunification.

The 5-point policy for national reunification dealt a serious blow to the maneuvers of the U.S. imperialists and their stooges who were attempting to permanently divide the nation through their proposal of simultaneous entry into the United Nations for the North and South. The 5-point policy also vigorously encouraged our masses' struggle for independence, democracy, and reunification. This was a firm proof of the justness and vitality of the 5-point policy for national reunification.

For our nation, which has lived under the protracted tragedy of national division, there is no more vital demand, nor a more ardent task, than national reunification.

Even after the announcement of this 5-point policy for national reunification, the North, proceeding from this ardent demand of the times, repeatedly advanced numerous patriotic policies for national reunification: These included the new policy to reunify the country by founding a democratic Confederal Republic of Koryo on the condition that the North and South recognize and tolerate each other's ideas and social systems. Since then, the North has made all possible sincere efforts for their realization.

The North, which has consistently maintained the stand of resolving the question of the Korean peninsula peacefully through dialogue and negotiations, also put forward a proposal that tripartite talks be held among the North, the United States, and the South to alleviate tension on the Korean peninsula, to preserve peace there, and to preliminarily arrange the independent and peaceful reunification of the country. In addition to this, the North also put forward a new peace proposal for holding North-South parliamentary talks and for announcing a joint declaration of nonaggression.

In particular, on 9 June, as a new peace initiative to alleviate tension on the Korean peninsula, the North proposed that military authorities' talks be held among the minister of the People's Armed Forces of the North, the commander in chief of the UN Forces in South Korea, and the national defense minister of South Korea.

Such a stand of trying to resolve the national problem proceeds from the patriotic stand to ease the tension prevailing on the Korean peninsula, to achieve reunification peacefully, to eliminate the brethren's sufferings caused by the national division at the earliest possible date, and to build a prosperous reunified fatherland independently and on the basis of our nation's efforts.

Therefore, there is no doubt that if these realistic and reasonable policies for national reunification are realized a new aspect in resolving the reunification question will be opened. However, because of the war maneuvers of the United States and the South Korean rulers and their antireunification policy, the danger of war -- not peace -- is still increasing and national division -- not reunification -- continues on the Korean peninsula.

Declaring South Korea as the frontline of its strategy toward Asia, the United States, which has regarded South Korea as a crucial military strategic point for its domination of Asia, has continuously introduced military equipment, including armed forces and nuclear weapons, and, thus, has turned South Korea into a military fortress and nuclear base, the largest in the Far East. The United States has also aggravated the situation on the Korean peninsula by staging large-scale South Korea-U.S. joint exercises such as the "Team Spirit" exercise annually. Thus, it has created obstacles on the road toward national reunification.

Under the manipulation of the United States, the South Korean rulers, too, have further intensified their fascist rule in this land. Brutally suppressing the patriotic struggle of youths, students, and the masses of all strata who call for independence, democracy, and reunification, the South Korean rulers are today scheming to perpetuate the national division in collusion with foreign forces.

In particular, the Chon Tu-hwan ring has further aggravated the situation by inspiring North-South confrontation through the anticomunist rackets and war exercise rackets for northward invasion while begging for the permanent stationing of the U.S. forces in South Korea and increased military aid from the United States on the pretext of a nonexistent threat of southward invasion.

The increasing confrontation and danger of war on the Korean peninsula and the continuation of national division there result totally from the policy of war of the United States and the Chon Tu-hwan ring and their maneuvers against reunification. Peace and the peaceful reunification of the country can be achieved only by withdrawing the U.S. forces from South Korea; by ending the fascist rule of the Chon Tu-hwan ring, the culprit of the United States; and by achieving independence and democratization of society.

The struggle against the U.S. policy of aggression and its fascist rule in South Korea is being waged among broad sectors of the South Korean youths, students, and people. In particular, the anti-U.S. and antigovernment struggle of our masses is being deepened and further developed organizationally. The struggle of workers for the right to existence is also being strengthened. This is an expression of the firm and resolute will of our masses not to tolerate the colonial fascist rule of the United States and the South Korean rulers and their maneuvers for aggression and national division.

Eliminating the danger of war and confrontation on the Korean peninsula and providing a firm guarantee for peace there is a pressing problem that should be resolved without delay. Only when peace is solidly preserved can a favorable prospect for resolving the reunification question be provided. Therefore, in addition to the withdrawal of U.S. forces from South Korea, in order to preserve peace, the basic factors causing the aggravation of tension and war should be eliminated completely. Misunderstanding and distrust between the North and South should be removed through dialogue and negotiation, not through confrontation and war; and an atmosphere of understanding and trust should be created.

Therefore, the North's peace proposals for tripartite talks, North-South parliamentary talks, and military authorities' talks are aimed precisely at resolving this pressing problem. If the North's peace proposals were realized, the state of tension and confrontation on the Korean peninsula would be removed and a new aspect would be successfully opened on the road of the independent and peaceful reunification.

Those who want peace and peaceful reunification should firmly unite under the banner of the anti-U.S. struggle for independence and join the struggle for the cause of reunification.

YUGOSLAV FOREIGN AFFAIRS SECRETARY SUPPORTS TALKS

SK210425 Pyongyang KCNA in English 0417 GMT 21 Jun 86

[Text] Belgrade June 20 (KCNA) -- We hail the peace initiative taken by the Supreme Command of the Korean People's Army on holding talks between the military authorities to reunify the North and the South of Korea in a peaceful way.

Raif Dizdarevic, federal secretary for foreign affairs of Yugoslavia, said this at a press conference on June 19. Giving answers to questions raised in connection with the peace initiative of the Supreme Command of the Korean People's Army on holding talks between the military authorities, he said that Yugoslavia's stand is to positively estimate the efforts to solve all problems by means of talks.

COMMUNIQUE ON PROBLEMS FACING NONALIGNED MOVEMENT

SK211212 Pyongyang KCNA in English 1000 GMT 21 Jun 86

[Text] Pyongyang June 21 (KCNA) -- A joint meeting of the Political Bureau of the Central Committee of the Workers' Party of Korea and the Central People's Committee of the Democratic People's Republic of Korea was held on June 20, 1986, with the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, in the chair.

At the meeting President Kim Il-song scientifically analyzed the present international situation and made an important concluding speech on the question of principle arising in developing and strengthening the non-aligned movement.

According to the communique on the joint meeting, it clarified the stand of the DPRK Government on important problems arising in developing and strengthening the Non-Aligned Movement with the 8th Summit Conference of Non-aligned Countries ahead.

The joint meeting pointed out in part:

The U.S.-led imperialists are ceaselessly committing armed intervention, subversion and sabotages against non-aligned and developing countries, and craftily using border issues, the consequence of the colonial rule, and various other complicated problems, to drive wedges between them and create antagonism and confrontation between them and make them fight each other to fish in troubled waters.

It is an urgent demand of our time to fight against imperialism and for global independence.

The peoples of the nonaligned countries and all the progressive people of the world should vigorously wage the struggle against imperialism and for independence in firm unity.

To this end, firstly, an anti-imperialist common front should be formed and the struggle against imperialism intensified throughout the world, secondly, the struggle against imperialism and for sovereignty should be persistently waged in an all-round way in all fields of politics, military, economy, ideology and culture and, thirdly, a struggle should be waged vigorously for the independence of the whole world.

It is a pressing problem facing mankind at present to avert a nuclear war and defend world peace and security.

We consider that the non-aligned countries should pay attention preferentially to realising disarmament, the abolition of nuclear weapons in particular, in the preparations for the 8th Summit Conference of Non-Aligned Countries and thereby make this summit a new occasion in preventing a new world war, a thermonuclear war, and easing the international tension.

In recent years the United States brought forward even the adventurous "star wars" programme and tries to extend the arms race into outer space and to produce binary chemical weapons and deploy them in many parts of the world.

It is the Korean peninsula where there is the greatest danger of nuclear war today.

If nuclear war breaks out in our country, it will easily expand into a global nuclear war, and then the Korean nation and the entire mankind will suffer a nuclear holocaust.

The Non-Aligned Movement should take it as its important duty to prevent a new world war, a thermonuclear war, and defend world peace, and strengthen its activity in every way.

Firstly, it should actively fight to realize the stoppage of the arms race and general and complete disarmament, nuclear disarmament in particular.

The non-aligned countries should give priority to the abolition of nuclear weapons and turn out in the struggle to prevent the production and stockpiling of nuclear weapons and abolish nuclear weapons completely and for good.

The non-aligned countries should play a catalytic role in ensuring that international legal steps are taken for totally prohibiting all forms of tests of nuclear weapons.

They should force the nuclear nations to commit themselves not to threaten the non-nuclear nations and press for an early adoption of steps for stipulating the abolition of nuclear weapons in an international law.

The non-aligned countries should actively support all initiatives to build nuclear-free peace zones. The countries possessing nuclear weapons should respect nuclear free, peace zones, and not deploy nuclear weapons there.

The government of our republic and the Korean people will actively struggle to convert the area of Northeast Asia including the Korean peninsula into a nuclear-free, peace zone and create such zones in various parts of the world and expand them, uniting with the peace-loving people of the world.

Positive proposals and initiatives have been put forward to realise a general and complete disarmament. Among them are the proposal to totally abolish nuclear weapons stage by stage by the end of the present century and the proposal to ban arms race in the outer space. They are significant proposals and initiatives in removing the danger of a nuclear war and defending world peace and security.

The non-aligned countries should make all efforts to carry into practice the positive proposals and initiatives to remove the danger of a nuclear war.

Secondly, struggle against the imperialists' policy of military blocs and policy of building military bases should be waged.

The non-aligned countries should strongly demand the withdrawal of aggressive foreign military bases and troops from the territories of other countries and should not offer their territories to big powers as military bases and supply bases.

The imperialists are now trying to form new military blocs in various places including the Asian and Pacific region, maintaining and strengthening the existing military blocs. The non-aligned countries should resolutely oppose the moves of the imperialists to form new military blocs and actively struggle to dissolve all the aggressive military blocs.

If the aggressive military blocs of the imperialists are dissolved, the military bloc of socialist countries will not be necessary any more.

We strongly demand that the United States stop its nuclear war provocation moves in and around South Korea and promptly withdraw its forces, military bases, nuclear weapons and other mass destruction weapons from South Korea.

Thirdly, the anti-war, anti-nuclear peace movement should be energetically waged.

The non-aligned countries should roundly expose and denounce the imperialists' policy of aggression and war and adventurous nuclear war provocation moves and bind them hand and foot in all parts where they have stretched their tentacles. And they should not act as their war servants.

All the non-aligned countries should more powerfully struggle to finally liquidate colonialism and racism and accomplish the cause of national liberation and support and encourage in every way the oppressed peoples in their struggle for national liberation and independence.

To this end, firstly, the common struggle to put an end to the racial system of South Africa should more energetically be waged; secondly, the expansionist aggressive ambition of the Israeli Zionists be smashed; and thirdly, solidarity should be strengthened with the peoples struggling for independence, sovereignty and the building of a new society.

The non-aligned countries should give all forms of support including political, diplomatic, material, financial and military support to the fighting southern African peoples including the South African and Namibian peoples and take positive steps to totally isolate the South African racist regime internationally.

They should regard the struggle of the Palestinian and other Arab peoples as their common cause and actively take a joint action to reject Israel in the diplomatic, economic, military and cultural domains and sea and air transport in accordance with the resolution of the 7th Summit Conference of Non-Aligned Countries.

The United States must stop giving political and diplomatic support and military and economic aid to the Israeli Zionist and take its hands off the Middle East, abandoning its ambition to dominate this region.

South-South cooperation is a noble work of the developing countries to increase the independence of the national economy and achieve a complete economic liberation through close economic and technical cooperation.

In order to free people from backwardness and poverty, famine and diseases and attain an economic independence, the non-aligned and developing countries should conduct brisk cooperation and exchange, starting from urgent problems which are realistically possible.

To this end, firstly, South-South cooperation should be expanded and developed in the food and agricultural domain; secondly, external cooperation and exchange be realised in health services; and thirdly, the work of expanding and developing cooperation and exchange between non-aligned and developing countries be carried into practical action according to the already adopted action programme of economic cooperation.

In realising cooperation in the building of irrigation setups, it will be rational for the non-aligned and developing countries to jointly work out "a 10-year plan of irrigation construction in developing countries" and "a 10-year plan of irrigation construction in Africa" and the like, set up an organ to coordinate cooperation in irrigation construction and form irrigation construction companies of joint venture.

They should also closely cooperate in improving farming methods, in seed selection and production and in agricultural scientific research and actively introduce joint ventures in agriculture.

Medical science should be developed through a proper combination of modern medicine with traditional medicine, and modern remedies with folk remedies and cooperation be strengthened in this field.

It also can be an effective means of cooperation in health services to create pharmaceutical enterprises of joint venture and open and operate joint venture hospitals. The non-aligned and developing countries should make joint efforts to set up a global system of preferential trade as early as possible and mature relevant conditions for discussing South-South cooperation on a high level and taking practical steps.

The non-aligned and developing countries should actively fight to establish a new international economic order in accordance with the joint strategy already mapped out.

To this end, firstly, continued patient efforts are needed to step up negotiations for the establishment of a new international economic order; secondly, efforts should be directed to establishing a fair and stable international financial and monetary system; thirdly, an active struggle should be waged to establish a new trade order.

The non-aligned and developing countries should jointly map out a strategy of negotiation suited to the demand of international economic situation, explore procedures and ways of negotiations and effectively coordinate the policy and stand of negotiations so as to place the position of negotiations still higher. A realistic measure for this is to set up a permanent committee of ministerial level of the non-aligned and other developing countries as recommended by the Foreign Ministers Conference of the Coordinating Committee held in New Delhi.

The non-aligned and developing countries should hold at an early date an international conference on international finance and currency for development to provide an occasion for setting up a new international financial and monetary system. They should prevent the fluctuation of the prices of primary products and increase exports revenue by reorganizing the unfair price system in trade and establishing a fair and profitable price system for the primary products.

The developing countries should not allow the developed countries to use the ordinary preferential system as a means of putting pressure on them but instead should actively struggle against any encroachment on their permanent sovereignty over natural resources. All the non-aligned countries should energetically strive to strengthen and develop the Non-Aligned Movement so that this movement may discharge with credit its heavy duty to time and mankind.

To this end, firstly, they should remain faithfully committed to the idea and principle of the movement which was confirmed at the previous non-aligned summit conferences; secondly, they should uphold and develop the tradition of unity; thirdly, ways for further enhancing the action capacity and effectiveness of the non-aligned movement should be explored through joint efforts.

The non-aligned countries should always stand firm by chajusong in all their activities. They should consistently maintain the basic principle of remaining outside any bloc and resolutely struggle against every attempt to alienate the non-aligned movement from its original principle and purpose.

They should not antagonize or fight each other, falling a prey to imperialists' instigation and deception, but meet their manoeuvres of division and alienation with a strategy of unity.

The members of the Non-Aligned Movement must not resort to force against each other or do act leading controversial issues to a military conflict. [sentence as received] The non-aligned countries should not let the disputes among some non-aligned countries continue indefinitely, but take decisive measures to end them.

They should not support or oppose one side in the disputes between newly-emerging countries but actively help the parties concerned solve the disputes through negotiation on an unbiased stand.

The joint meeting expressed the belief that the 8th Non-Aligned summit Conference will be a conference of historical significance in solving important problems arising in the non-aligned movement at present and further strengthening and developing this movement.

NODONG SINMUN ON EFFORTS IN KEY ECONOMIC SECTORS

SK202158 Pyongyang Domestic Service in Korean 2135 GMT 19 Jun 86

[NODONG SINMUN 20 Jun editorial: "Let Us Continuously Effect Innovations in the Preferential Areas of the People's Economy"]

[Text] The mining, metallurgical, and power industries and railway transport are the priority areas of the people's economy.

Only when innovations are effected in these areas, which are responsible for raw materials, fuel, energy, and transport, can all sectors of the people's economy progress actively and a decisive turn be made in attaining the long-range goals of socialist economic construction.

Giving firm priority to the mining, metallurgical, power industries and railway transport over other areas of the people's economy is our party's unchanging principle. This year, in particular, great efforts are being concentrated on these areas.

The great leader Comrade Kim Il-song has taught: This year, in economic construction, while actively waging the struggle to attain the 10 long-range goals of socialist economic construction put forth by the party, preferential efforts should be particularly placed on developing the major industries and railway transport.

Steps have been taken to develop the major industries and railway transport, and the working class and functionaries of these areas, who turned out by wholeheartedly upholding the appeal of the party, have vigorously struggled. As a result, railway transport and power production have reached a high stage, and innovations are being effected in the production of steel, ore, and coal. This invigorates production and construction in many sectors of the people's economy.

However, at present, all sectors of the people's economy have set forth new goals and are raising the furious flames of production. This reality demands that the major industries and the railway sector make even more positive efforts. This is precisely why our party is placing great emphasis on the preferential areas of the people's economy, and has set forth the coal, steel, and power production goals and the railways transport goal, which should be attained as quickly as possible. These are the urgent tasks which should be accomplished without fail by the concerned sectors. When these preferential areas of the people's economy bring the production of coal, steel, and power and railways transport to a stage desired by the party and advance ahead of others by holding banners aloft, new gains will be achieved in overall socialist economic construction.

The goals set forth by the party are high. However, the experience of the railway sector and the power industry, which have almost approached the goals and are continuing to advance vigorously, shows that any task can be accomplished if great efforts are determinedly made. Thus, it is important for the functionaries and working people of these sectors to make efforts with the determination to unconditionally accomplish the tasks assigned by the party, with the belief that they can accomplish the tasks.

The world-famous Nampo Lockgate is being built in a very short period of time. This is not attributable to conditions and experience. The firm faith, lofty loyalty, and unyielding fighting spirit of the construction workers of the lockgate, who possess the spirit of unconditionally fulfilling the order and direction of the party and the leader, have created miracles in the construction of the Nampo Lockgate.

By following the spirit and courage of the construction workers of the Nampo Lockgate, who have performed heroic feats, the coal, steel, and power producers and the railway transport workers should overcome the mounting difficulties and completely accomplish the tasks assigned by the party. To this end, all functionaires and working people of these areas should realize the significance of their missions to advance the preferential areas of the people's economy, and accomplish the given tasks responsibly.

The functionaries and working people should clearly realize that their given tasks are for the purpose of fulfilling the intent of our party to advance the development of the people's economy. By so doing, they should effect ceaseless upsurges and attain the daily, 10-day, monthly, and quarterly targets without fail.

One of the important methods for reaching the goals set forth by the party is to wage an active campaign to dig out hidden potential. In the course of the campaign to dig out hidden potentials of resources being waged in accordance with the appeal of the working class of the Kim Chaek Iron Works, a large amount of hidden potentials are being mobilized and utilized everywhere in the country.

In the campaign to dig out hidden potentials of resources, the major industrial sectors and the railway sector should take the lead. The functionaries and working people of these areas should regard it as their major task for the development of the preferential areas of the people's economy to dig out hidden potentials in materials, resources, and transport. By so doing, they should participate in the campaign with an attitude worthy of masters.

At the same time, in using materials and facilities, the functionaries and working people should always think of ways to conserve and, if necessary, boldly improve and modernize production processes, facilities, and methods. By so doing they should increase production with fewer resources.

Success in production and transport largely depends on the organizational guidance work of the functionaries. At present, innovations are being effected in the area of railway transport. This is importantly linked with the improvement of transport organizational work.

Our party trusts the functionaries of the coal, metallurgical, and power industries and the railway sector, and has assigned them to the important guardposts. The functionaries of these areas should deeply realize the significance and responsibility of their missions for the development of the people's economy and should organize and command production of the people's economy and should organize and command production and transport in a revolutionary manner.

As the heavy and difficult tasks are assigned, the functionaries should make even more positive efforts, rack their brains, and meticulously plan organizational work. The functionaries of the mining, metallurgical and power industries and the railway sector should go into the masses, should work out with them measures to attain the goals set forth by the party, and should fully mobilize hidden potentials and possibilities. By so doing, they should stabilize production in accordance with the authorized capacities with less materials and resources and attain their production targets without fail.

In particular, the functionaries of the complexes in these areas should realize that currently success in production largely depends on their roles. In so doing, they should establish correct contracts and execute them in conformity with the prevailing situation. At the same time, they should make positive efforts to mobilize and utilize raw materials, resources, and facilities in a rational manner.

To continue to effect innovations in the preferential areas of the people's economy, even greater emphasis should be placed on these areas. Reality shows that our party's decision to put priority efforts into developing major industries and railway transport has been entirely correct.

Functionaries of the State Administration Council and the concerned commissions and ministries should know that the rapid development of the major industries and railway transport is presently an crucial need arising from the development of the economy of our country. By so doing they should increase the state investment in the mining, metallurgical, and power industries and the railway sector, and should guarantee the supply work for these areas.

The might of the masses is endless and there is no task which cannot be accomplished by the masses. The question of bringing the production of the major industries and railway transport to a level desired by the party can also be settled only through the efforts of the masses. Party organizations and the members of the three revolutions teams of these areas should fully explain among the party members and working people the significance of the question of bringing production to the level desired by the party and should mobilize their revolutionary zeal. By so doing, they should make all people effect ceaseless innovations with lofty loyalty to the party and the leader and with self-conscious enthusiasm.

Today the efforts of a unit or two are not enough to win success in the struggle to bring the production of coal, steel, and power and railway transport to a level demanded by the party. Only when everyone in the concerned areas, including individual workers and the funcitonaries of the concerned commissions and ministries of the State Administration Council, actively turn out can this task be successfully accomplished.

The party organizations and members of the three revolutions teams of the mining, metallurgical, and power industries and the railway sector should adhere to the task of bringing production and transport to the level set by the party and carry out organizational and political work persistently. In doing this they will bring about new upsurges in socialist economic construction.

'STRONG PROTEST' ON PROVOCATIONS' MADE TO MAC

SK251016 Pyongyang KCNA in English 1000 GMT 25 Jun 86

[Text] Kaesong Jun 25 (KCNA) -- A security officer of our side at a meeting of security officers of the two sides to the Military Armistice Commission held today at Panmunjom lodged a strong protest with the enemy side against its provocations and violations in the joint security area of Panmunjom.

According to the statement of the security officer of our side, at around 8:25 June 21, guards of the U.S. forces and the South Korean puppet Army at the observation post of the enemy side southeast of the conference room shouted at personnel of our post on the opposite side and spoke rude words and made a nasty gesture wantonly insulting their personality. As personnel of our side made no reply to this indecent behaviour, they turned a searchlight twice onto personnel of our side. Similar provocations were committed around 13:49, 20:15 and 22:55 that day.

Such provocations are a grave violation of the points of agreement between the two sides and a reckless act which might aggravate the situation and cause conflicts between the two sides in the joint security area.

Meanwhile, the enemy is bringing into the joint security area more armed personnel than the designated number practically every day.

Since our side proposed to take steps for full security in the joint security area the enemy's provocations and violations have numbered as many as over 220.

The security officer of our side lodged a stern protest with the enemy side against its wanton provocations insulting personnel of our side and against such acts as hampering them in the conduct of their duty and introducing more armed personnel than the designated number and automatic rifles, and strongly demanded it to punish criminals and take responsible measures so that similar incidents might not occur again.

LAO PREMIER SUPPORTS COHOSTING, KPA PROPOSAL

SK221128 Pyongyang KCNA in English 1107 GMT 22 Jun 86

[Text] Pyongyang June 22 (KCNA) -- Kaysone Phomvihan, general secretary of the Central Committee of the Lao People's Revolutionary Party and premier, said when he met the DPRK ambassador to his country on June 19 that Laos firmly supported the just and reasonable proposal of the Democratic People's Republic of Korea that the 24th Olympic Games be cohosted by the North and the South of Korea and the peace initiative of the Supreme Command of the Korean People's Army on holding talks between the military authorities.

Noting that the friendly and cooperative relations between the Lao and Korean parties, governments and peoples have developed, he said that these relations would continue to develop favorably in the future, too.

Laos has always supported and will invariably support in the future, too, the proposals put forward by Comrade Kim Il-song for the peaceful reunification of the country and the struggle of the Korean people for their realisation.

The ambassador conveyed regards of Comrade Kim Il-song to Comrade Kaysone Phomvihan. Comrade Kaysone Phomvihan expressed deep thanks for this and asked the ambassador to transmit his warm greetings to Comrade Kim Il-song, the respected leader of the Korean People and general secretary of the Central Committee of the Workers' Party of Korea. The conversation proceeded in a friendly atmosphere.

JAPAN POST CITED ON SOUTH'S DEBT, OLYMPICS

SK242204 Pyongyang KCNA in English 1500 GMT 24 Jun 86

[Text] Pyongyang June 24 (KCNA) -- The Japanese magazine JAPAN POST stressed that the Asian and Olympic Games would lead South Korea to a catastrophic situation, making it impossible to pay foreign debts, which will mean its "national bankruptcy", the magazine noted, and said:

The foreign debt of the South Korean puppet clique amounted to 52,670 million dollars as of the end of last year. This is the "world's largest" debt which surpasses the "line of danger" by far.

South Korea had suffered a deficit of 480 million dollars in trade in the first five months of this year, not getting rid of chronic deficit, which aggravates its international payments.

For the Asian Games in Seoul, the puppet clique is inducing foreign capital to cover their expenses.

This sharply increases South Korea's foreign debt and makes the burden of its payment heavier.

FILM SHOWN AT SOVIET EMBASSY FOR WAR ANNIVERSARY

SK210446 Pyongyang KCNA in English 0432 GMT 21 Jun 86

[Text] Pyongyang June 21 (KCNA) -- Gennadiy Bulanov, military attache of the Soviet Embassy in Pyongyang, arranged a film show at his embassy on June 20 on the occasion of the 45th anniversary of the start of the Great Patriotic War.

Among the guests were General Kim Kwang-chin and Maj. General Yi Hong-sun of the Korean People's Army O Mun-han, vice-chairman of the Committee for Cultural Relations with Foreign Countries, Kang Tok-so, deputy editor-in-chief of NODONG SINMUN, Song Pong-sun, deputy director general of the KOREAN CENTRAL NEWS AGENCY, O Kil-pang, vice-chairman of the Central Committee of the Korean-Soviet Friendship Society, and other officials concerned and military attaches of foreign embassies here.

Boris Morozov, charge d'affaires ad interim of the Soviet Embassy in Pyongyang, and embassy officials were present.

The attendants appreciated a Soviet film.

MESSAGE TO PRC COMMEMORATES FATHER OF WAR MARTYR

SK221140 Pyongyang KCNA in English 1121 GMT 22 Jun 86

[Text] Pyongyang June 22 (KCNA) -- The Ministry of People's Armed Forces sent a message of condolence to the Ministry of National Defense of the People's Republic of China on the death of Comrade Luo Diekai, father of internationalist martyr Luo Shengjiao.

The message said that Comrade Luo Diekai not only excellently brought up internationalist martyr Comrade Luo Shengjiao and sent him to the Korean front to bring into fuller bloom the blood-sealed friendly relations between the two peoples but also devoted his whole to the struggle for the development and strengthening of the Korea-China friendship.

Although Comrade Luo Diekai died, the feats performed by him and his son Comrade Luo Shengjiao on the road of the Korea-China friendship will remain forever in the hearts of the Korean people and the People's Army soldiers, the message noted.

The Central Committee of the Korea-China Friendship Association sent a message of condolence to the China-Korea Friendship Association. Luo Shengjiao was a soldier of the Chinese People's Volunteers who bravely fought on the Korean front and died after saving a Korean boy from a frozen river in the period of the past Korean war (June 25, 1950-July 27, 1953).

REPLIES TO NORTH REJECT TALLES PROPOSAL

Yi Terms Call 'Unreasonable'

SK250239 Seoul YONHAP in English 0218 GMT 25 Jun 86

[Text] Seoul, June 25 (YONHAP) -- South Korean Defense Minister Yi Ki-paek Tuesday turned down a North Korean proposal for defense ministers conference, and blamed North Korea's "reckless military buildup" for tension and war threats on the Korean peninsula.

In a reply to the letter sent to him by North Korea's Armed Forces Minister O Chin-u on June 17, Yi said that North Korea has dampened the entire nation's aspiration for peaceful unification of the divided country by unilaterally cutting off all existing channels of inter-Korean talks.

"Under the circumstances, it is utterly unreasonable for North Korea to call for a meeting of military authorities of South and North Korea. Neither the South Korean people nor peace-loving people of the world will believe North Korea's sincerity in the proposal," Yi said in the reply.

Yi urged North Korea to immediately respond to Seoul's call for the resumption of inter-Korean economic talks and Red Cross talks for the reunion of dispersed family members in both sides.

Yi said that Seoul's proposed four-point formula concerning the observance of the armistice agreement should first be discussed at the Armistice Commission to ease military tension between South and North Korea. The four points include the demilitarization of the buffer zone, the mutual notification of major military exercises, the mutual issuance of invitations to observe major military exercises and the establishment of a joint monitoring and confirmation system in the joint security areas.

Yi also called upon Pyongyang to "unconditionally" agree to Seoul's proposal for talks of the highest authorities of South and North Korea, if Pyongyang truly wants to ease tension on the peninsula and realize territorial unification peacefully.

Livesey Says MAC Proper Forum

SK240344 Seoul YONHAP in English 0332 GMT 24 Jun 86

[Text] Seoul, June 24 (YONHAP) -- Gen. William Livesay, commander-in-chief of the United Nations Command (CINCUNC), in response to a recent letter addressed to him from North Korea, has reaffirmed the UNC's longstanding policy that the Military Armistice Commission will handle armistice-related matters while inter-Korean issues should be dealt with through direct South-North dialogue.

Gen. Livesay's reply to the supreme commander of the North Korean People's Army was passed at the regular noon joint duty officers meeting on June 21, according to the press release on Tuesday. The reply noted that the matters raised by North Korea in the letter concern the South-North dialogue and other subjects properly discussed between the two Koreas, according to the press release.

Livsey also noted, "The UNC stands ready to discuss military tension reduction issues and other armistice-related matters." He stressed, "The appropriate venue for such discussion is the Military Armistice Commission, where the UNC has a number of significant tension-reduction proposals on the table."

Livsey informed the North Korean supreme commander in his reply that North Korea's letter had been referred to appropriate Republic of Korea (ROK) Government authorities.

South Korean Defense Minister Yi Ki-paek also earlier received an "unprecedented" letter from his North Korean counterpart, O Chin-u, on Jun 17. O's letter sent through the truce village of Panmunjom, was picked up by South Korean officials there at noon. South Korean Defense Ministry authorities said that through due procedures, they will deliver Yi's reply to North Korea on Tuesday.

CHON URGES SHARPENED SENSE OF NATIONAL SECURITY

SK250157 Seoul THE KOREA TIMES in English 25 Jun 86 p 1

[Text] President Chon Tu-wan urged the people yesterday to sharpen their sense of national security in unity to deter war on this peninsula remembering the tragedy of the 1950-53 Korean War. "We know the bitter lesson from the war that the North Korean Communists attempt invasions on us when our society is unstable and national opinions are not united," Chon said at a tea party for exemplary soldiers.

Sixty-six exemplary soldiers and their wives were invited to the Chongwadae party on the eve of the 36th anniversary of the Korean War.

"We are engaged in a war with the North in the areas of the military, ideology, diplomacy, and the economy. Our military has to play a leading role in guiding the public to win over the North Korean Communists in the four-pronged war," Chon emphasized.

Particularly referring to the ideological war, President Chon said that all people should take the anniversary of the Korean War as a good occasion to get a correct perception of the true nature of the Communists.

Attending the party were Defense Minister Yi Ki-paek and the heads of three armed services.

CHONG IL-KWON WARNS OF 'ILL OMEN' FROM NORTH

SK250302 Seoul THE KOREA TIMES in English 25 Jun 86 p 8

[Text] Chong Il-kwon, former National Assembly speaker, said last night that North Korean Communists are feared to trigger a serious provocation at the time of the Asian Games and the Olympics in Seoul.

In a impromptu speech at a gathering of Korean War veterans, he said that the recent peace offensives by North Koreans seem to be an "ill omen" that they might cause a tragedy as they did 36 years ago.

Hundreds of veterans, war correspondents and social and political celebrities gathered at the Ambassador Hotel on the eve of the Korean War anniversary. The meeting was arranged by Kim Pong-ki, former lawmaker and present adviser of the hotel as an event to remember the war.

Among the participants were Labor Minister Cho Chol-kwon; Min Pok-ki, former chief justice; Yi Se-ho, former Army chief of staff; Chang Chang-kuk, former chairman of the Joint Chiefs of Staff; top comedian Ku Pong-so; actress Hwang Chong-sun; and Paek Tu-chin, former National Assembly speaker.

Chong said that whenever Pyongyang launched peace propaganda offensives in the past, the Communists attacked the south or committed military provocations. He particularly cautioned about the recent overture by the north to hold military talks among South and North Korea and the United States.

The participants talked about their memories of the war and information on what happened to their comrades in war.

EDITORIAL CAUTIONS YOUTH TO RECALL 1950 INVASION

SK250315 Seoul THE KOREA HERALD in English 25 Jun 86 p 4

[Editorial: "Lessons of Korean War"]

[Text] Today marks the 36th anniversary of the outbreak of the Korean War which raged through the length and width of the Korean peninsula for three years before ending in history's longest armistice. In commemoration of the occasion, public rallies and other events are scheduled in Seoul and other cities across the country as in previous years.

Few nations in the world have continued to commemorate the outbreak of a war annually for nearly four decades in so grim and earnest a manner as Koreans do. Outsiders may find it hard to understand that we have compelling reasons to do so.

Nightmarish and tragic as they may be, we cannot and should not forget our bitter wartime experiences and the precious lessons they taught us. To remember them, and in remembering be prepared for any recurrence of war, is all the more important now as the next two to three years represent a crucial period for the security of the nation.

The people in this Republic, all freedom-loving peoples in the world for that matter, must always bear in mind that Communist North Korea, which triggered the 1950-53 fratricidal war by launching a surprise attack on the totally unprepared South, the capability for invading the South again, without outside help, and is highly likely to do so if and when we ever show signs of weakness, and thereby remove the deterrence to war.

It was the removal of the deterrence to war -- the withdrawal of American troops from South Korea in 1949 -- that prompted Kim Il-song, the Communist dictator in Pyongyang, to mount an all-out predawn attack across the 38th parallel the following year, in an attempt to unify the divided nation by force of arms.

Thanks to the swiftness of the United Nations in sending a 16-nation expeditionary force to the aid of the beleaguered Republic of Korea, we were able to repel the Communist aggressors who had pushed the southern defenders into the southeastern corner of the peninsula.

When the guns fell silent after the signing of an armistice on July 27, 1953, more than two million people on both sides, including many civilians, were left dead. The fighting also wrought enormous havoc on the country, destroying nearly half of the industrial facilities and almost a third of the houses in the South. In the course of the war, the Communists committed countless atrocities against the people in the South.

Now that more than three decades have passed since the shooting stopped, some people are apt to think that there is no possibility of North Koreans invading the South again. They tend to regard calls for stepped-up security preparedness against the military threat from the North as false alarms aimed at maintaining the ruling group in power. Most startling are slogans shouted lately by some radical student activists that demand the withdrawal of American troops from Korea.

A recent survey of collegians by a Seoul university professor revealed that a great majority of the students see little likelihood of a renewed war on the Korea peninsula on grounds that the North Korea Communists are, after all, fellow Koreans who would not want to kill compatriots again in a fratricidal war, and that unless they are absolutely sure of victory they would avoid a war which would cause them great damage. This trend of thought appears to be growing in the postwar generation of Koreans who now make up about two-thirds of the entire population.

These young people who never experienced the miseries of war and the brutality of the North Korean Communists fail to see the truth that behind the smokescreen of peace gestures, the Pyongyang regime has intensified its offensive military strength in recent years for the obvious purpose of striking South again whenever it sees the decisive moment arrive.

They should realize, however, that what keeps the North from attacking the South again is the high level of defense preparedness on our side, backed by the presence of U.S. troops.

It is incumbent upon the adult generation to make earnest efforts to awaken the young from their illusions about the Pyongyang Communists and the security situation on the peninsula.

U.S. ECONOMIC CONSULTATIVE MEETING CONCLUDES

SK250310 Seoul THE KOREA HERALD in English 25 Jun 86 p 1, 2

[Text] Korea has been assured by the United States that it will continue to receive GSP (Generalized System of Preference) benefits until 1993.

The assurance was provided during the fifth Korea-U.S. Economic Consultative Meeting which closed its two-day sessions yesterday, according to an official at the Ministry of Foreign Affairs.

He added, however, that the U.S. side urged Seoul to take more positive market-liberalization policy in order to help avoid reductions of GSP benefits to Korea in the future.

Korea has benefited from the U.S. CSP program, designed to exempt customs taxes for certain export goods from developing countries, since 1976. Last year, about 15 percent of the Korean exports to the United States received such a preferential treatment. Recently, there have been moves in the U.S. legislature to "graduate" Korea from the list of GSP beneficiaries.

Briefing reporters on the outcome of the two-day talks, the official also said the meeting has helped foster a favorable atmosphere for realizing Seoul's bid to extend Korean Air's flight right to Chicago.

The Korean delegation "strongly" requested that the United States give serious considerations to such Korean civil aviation concerns, he said.

In return for accepting some of U.S. demands for market opening in Korea, the government will continue to press Washington to accept such an aviation bid the official added. The U.S. party took note of the Korean request and agreed to convene a meeting of aviation officials "in the near future" to discuss the issue.

Both delegations also agreed to bring the negotiations under Section 301 of the U.S. Trade Act to an early conclusion, said the official. A negotiated settlement may be reached by next month on trade issues stemming from U.S. demands for increased access to the Korean market and full protection on intellectual property rights, according to government sources.

The two sides are expected to agree to include three U.S. which firms will be fire insurance companies and the remaining one life insurance company.

Both sides are also said to have ironed out their differences on U.S. demands for the protection of material patent rights, copyrights and other intellectual property rights.

During the annual economic consultative conference, the Korean delegation also requested that the United States increase fishing quota allocations to Korea for 1986. The U.S. side promised to give full consideration to the Korean demand and reciprocally called on Korea to increase its import of U.S. seafood products.

Other highlights of the meeting are as follows:

-- The two sides agreed that the New Round of multilateral trade negotiations should be launched as soon as possible.

-- The Korean side expressed concerns over U.S. moves to freeze imports of Korean textile products.

-- The U.S. side urged the Korean Government to expand the scope of liberalization and further improve its investment climate.

-- The U.S. side requested that Korea hike its imports of coal and examine the prospect of importing LNG (Liquified natural gas) from the United States.

Both delegations also agreed that it is in their common interest to manage trade and other economic issues in a "predictable, efficient and programmed manner."

In addition to regularly scheduled consultations, the two sides agreed to make full use of all available channels of communications and to hold formal or informal meetings as often as both sides deem necessary.

SPECIAL COMMITTEE FORMED TO AMEND CONSTITUTION

SK250214 Seoul THE KOREA TIMES in English 25 Jun 86 p 1

[Text] The National Assembly barely managed to establish a special committee to draft an amendment to the Constitution yesterday after many months of tough negotiations between rival parties.

The formation of the panel, the crucial question pending since the opening of the 12th-term Assembly in April last year, was resolved by a unanimous vote on an inter-party resolution.

The resolution gave three months for the panel's activity but it can exist, if necessary, till the end of this year according to the progress of its work.

The panel, named the "Special Constitutional Amendment Committee," is to be composed of 45 or less members. The resolution also provided that the members shall be evenly balanced between the ruling and opposition parties, excluding the panel chairman who is to be a member of the majority party.

However, the rival parties failed to clarify the composition ratio of the members among parties in the resolution. Floor leaders will continue negotiations over the question. They were arguing over whether lawmakers belonging to splinter parties should be given membership of the panel.

The main opposition New Korea Democratic Party opposed the participation of such splinter groups as the 12-member New Conservative Club and the Democratic Korea Party which has three seats in the Assembly. Despite earlier agreements made by party leaders, the rival parties had difficulties in initiating the joint resolution in the Steering Committee due to the issue of political prisoners who had been arrested in the course of struggling for constitutional amendment. The NDP demanded that the parties present a joint recommendation to the administration for the release of those "political detainees," as a precondition for the panel creation. As the demand was flatly rejected by the DJP, the NDP held various meetings of party members, including a caucus, to finalize its policy on the panel.

Party lawmakers decided to consent to the formation of the panel because "constitutional revision is the call of the people that makes the panel's creation imperative." They also decided "to trust the promise of the ruling camp to make utmost efforts for the release of the prisoners." However, they threatened in a resolution that "without the release of all political prisoners, the House panel will be unable to achieve its mission."

They vowed that the NDP would make continuous efforts for a sweeping release, and party leaders, including President Yi Min-u and floor leader Kim Tong-yong, should vouch for the release.

Before the opening of the plenary session, floor leaders met on four occasions to set concrete terms for the panel's creation, including the drafting of the joint resolution.

Instead of drafting a new resolution, the parties modified drafts separately submitted earlier by the three major parties respectively.

Explaining the joint resolution in the plenary session, Rep. Yi Se-ki, floor leader of the DJP, said, "This resolution is the expression of our wish and the people's desire to open a new political era." "Let's pledge here to make this 12-th term Assembly a glorious [as published] historic forum by giving birth to a new constitution embracing the people's will in the coming regular session," he said.

He stressed that the parties should show infinite courage and patience and pool their wisdom in order to produce a "constitutional revision satisfactory to all."

Until the rival parties finally agreed to act on the joint resolution, the plenary session was postponed several times from 2 p.m. The vote was taken at 10:30 p.m.

The House panel is expected to begin full-fledged work next month, as the rival parties have to settle the issue of distributing members among parties.

The rival parties are sure to dispute how to rewrite the basic law with regard to the form of the government.

The DJP, which has yet to bare its idea about the power structure has only expressed its opposition to the direct presidential election formula.

ACTIVISTS RAID NKDP OFFICE, HOLD SIT-IN

SK240106 Seoul THE KOREA TIMES in English 24 Jun 86 p 8

[Text] Five university students and two fired workers have been holding a sit-down rally in the office of No Sung-hwan, a vice president of the New Korea Democratic Party, as of early this morning, demanding the party clarify its position concerning a rumor that the moderates would form a coalition in a "grand compromise."

They raided the unguarded office at around 11 a.m. yesterday, chanting anti-government slogans. Five of them were learned to be members of the unauthorized hardline student organization "Minmintu."

They distributed leaflets titled "Why We Oppose the Conservative Coalition," warning that the main opposition party should stop any attempt to wrest power by riding on the struggle of the populace against the incumbent government.

They demanded the abolition of the constitutional revision committee, projected to be set up at the National Assembly today.

They maintained that instead of the House panel, a constituent assembly representing all the people should be established to hammer out a new constitution oriented to "genuine" democracy and economic equality, among other matters.

Upon entering the office, they closed the door and set up a barricade with desks and chairs, to prevent police from storming in to arrest them.

They began a hunger strike in protest against the party officials' reluctance to arrange a meeting with party President Yi Min-u, and with Kim Yong-sam and Kim Tae-chung, co-chairman of the Council for the Promotion of Democracy.

OFFICIALS ON MEETING WITH U.S. AMBASSADOR

BK231215 Bangkok NAE0 NA in Thai Jun 86 pp 1, 8

[Text] Thailand's deputy prime minister and foreign minister informed U.S. Ambassador William Brown of the effect of the Farm Act on relations and suggested that both sides adopt a friendly approach. It's been reported, meanwhile, that Air Chief Marshal Sitthi Sawetsila will raise the issue of the Farm Act in discussions with the U.S. secretary of state in Manila next week.

"I told the (U.S.) ambassador that there must be some friction in U.S.-Thai relations as we are also trying to protect our national interests, especially when trade protectionism has been affecting our people at the grass-roots level," Air Chief Marshal Sitthi Sawetsila said in an interview with NAE0 NA on 20 June.

The deputy prime minister and foreign minister said this in answer to a question about his opinion on the report by Thai officials that the U.S. ambassador had threatened retaliation if the Thai Government fails to take measures to protect U.S. intellectual property, which is a current problem.

On 18 June, the U.S. ambassador and the ambassadors and charges d'affaires of nine European Economic Community countries and Switzerland called on Deputy Foreign Minister Praphat Limpaphan to present to him a memorandum expressing concern over Thailand's to-be-announced median prices of pharmaceutical products, which might be too low, thus making their investments in this field uneconomic. The memorandum also calls on Thailand to adopt a law to protect trade marks and patents.

According to a report by Thai officials concerning the 18 June meeting, ambassadors and charges d'affaires discussed with Thai authorities ways and means to resolve the problem. However, the U.S. ambassador made a clear-cut demand, saying that Thailand will face several forms of retaliation if it fails to solve the problem immediately.

Air Chief Marshal Sitthi said the Foreign Ministry is facing difficulties after hearing such a report. It must try to protect national interests. The matter also involves Thai laws, and a discussion on this dilemma should be held.

Commenting on the U.S. ambassador's attitude as reported, Air Chief Marshal Sitthi said: "An ambassador can adopt a positive approach to an issue if he wishes. It is easier to deal with problems if the approach is a friendly one. But if it is otherwise, things become difficult to tackle."

U.S. Embassy spokesman Larry Thomas later told NAE0 NA that Ambassador Brown met with Thailand's deputy foreign minister on the protection of intellectual property only. The concern over Thailand's median prices of its pharmaceutical products was discussed at a separate session with a group of ambassadors led by the Netherlands ambassador. The matter was mistakenly reported due to the fact that the U.S. Embassy is a large one and the U.S. ambassador was at the meeting.,

The U.S. Embassy spokesman said that the embassy took up the matter because of requests from drug companies. It considers the matter a trade problem rather than one of diplomatic or bilateral relations. He expressed the hope that the problem will be resolved through proper channels according to existing laws and agreements.

The Thai deputy prime minister and foreign minister is scheduled to attend another round of Thai-U.S. talks in Manila on 26 June. He will discuss with U.S. Secretary of State George Shultz the impact of the U.S. Farm Act on Thailand's rice exports. A source told NAEQ NA that for the first time he will present to George Shultz figures showing facts about the situation.

Air Chief Marshal Sitthi will again propose to the United States possible steps to help reduce the impact on Thailand. The source added that the meeting is at the request of George Shultz himself, and it is believed Shultz will bring up for discussion with the Thai side the problem of the protection of intellectual property and Thailand's garment exports.

INTERIOR OFFICIAL GIVES LATEST REPORT ON PHUKET

BK241454 Bangkok Domestic Service in Thai 1300 GMT 24 Jun 86

[Text] Interior Ministry Permanent Secretary Phisan Mulasatsathon said at the military airport this evening, after returning along with the police director general and a team of officials from a trip to Phuket Province, that the situation there had improved and the disturbances had been put down. The authorities are trying their best to restore peace. He believed the state of emergency there can be lifted soon.

He said authorities yesterday arrested over 40 suspects, some of whom have confessed. Authorities charged them with drunkenness, bullying, and theft. Concerning the chargeon creating disturbances, the police director general said this will depend on the result of the investigation.

Asked about the masterminds behind the disturbance, the interior permanent secretary said the authorities are investigating and will try to determine whether individuals, organizations, or the business sector was responsible. He said not only were residents of Phuket involved in the disturbance, but also people from other provinces, including Nakhon Si Thammarat and Phang-nga. He said the people in Phuket now realized that the situation has returned to normal. On the losses at the Tantalum plant, he said no estimate could yet be made. He gave assurances that the plant will not operate at all for the time being.

CHAWALIT BEGINS TO DISMANTLE NORASING FORCE

BK200129 Bangkok BANGKOK POST in English 20 Jun 86 pp 1, 3

[By The Chongkhadikit]

[Text] Army Commander-in-Chief Gen Chawalit Yongchayut has begun efforts to dismantle the Norasing Task Force, the BANGKOK POST was told yesterday. It is understood Gen Chawalit feels that the presence of the task force in the centre of the city creates an atmosphere of apprehension.

The Norasing Task Force was set up immediately after the April 1-3 coup attempt in 1981. The force, whose task is to maintain peace and order in the city and to act as a deterrent against coup attempts, is under the jurisdiction of the Capital Security Command.

Gen Chawalit has expressed his views to Supreme Commander Gen Athit Kamlang-ek, who remains in charge of the Capital Security Command, which includes the task force.

While the function of the task force is to maintain peace and order, Gen Chawalit considered it doubtful that it could act swiftly and effectively in a real emergency.

It has been reportedly agreed with Gen Athit that the task force be reduced on a stage-by-stage basis, with various elements, including the tank corps, returning to their original units.

Gen Chawalit is also said to have plans to restructure the Internal Security Operations Command into a more compact and efficient organisation, but time is needed for careful implementation.

The Army chief is to set about his policy to "turn enemies into friends" in the military by adhering strictly to principles, rules and regulations in appointments and promotions.

He will not eliminate from important and influential posts those officers who were close to Gen Athit and will not place those close to him in positions of strength for personal reasons. However, he will take good care of those who have served him loyally, though not at the cost of proper procedures.

In restoring regular practices, he intends to reunite the army and further develop it into a highly capable and effective professional defence force operating with in the constitution.

Bidng his time, he plans to work closely with Gen Athit, whom he succeeded and who will remain supreme commander with overall authority over the forces until his 61st birthday on August 31.

Wherever necessary for achievement of certain objectives in cooperation with Gen Athit and other high-ranking officers, Gen Chawalit will aim for an acceptable compromise. However, if he feels it essential to do so, he will exert his authority and make a hard decision for whose consequences he will accept full responsibility.

Although he rose through the staff line rather than from troop command, Gen Chawalit feels he has learned thoroughly about command decision-making through having been engaged in drawing up strategic, tactical and contingency plans for battle situations to ensure maximum attainment of objectives at minimum cost in lives and material.

The Army chief has ordered that he would not need special escort motocade with flashing lights when he goes out but if security regulations require, a lead car could be provided. He has also reportedly informed all regional commands that after his initial formal visit there should be no more honour guards for him when he makes a call. He would prefer to have the soldiers out on duty, in the field or in operation, or resting when it is their time off.

Gen Chawalit reportedly insits that he retires in two years, five years before he reaches the regular retirement age of 60, because he believes he will have achieved what he desires for the army and because he would like to make way for the upward mobility of promising officers all down the line. Although he has maintained close contacts with all major political parties, he has declined to discuss the possiblity of his becoming involved in politics after his retirement. For the two-year duration he reportedly wishes to concentrate on working for the army.

Need To Restructure ISOC

BK250149 Bangkok BANGKOK POST in English 25 Jun 86 p 7

[Text] Army Commander-in-Chief General Chawalit Yongchayut yesterday stressed the need for restructuring the intelligence gathering network of the Internal Security Operations Command [ISOC] and to make the best use of limited funds to combat communist activities.

In his first policy statement as the director of communist suppression operations, Gen Chawalit also censured ISOC's Santi Nimit units for engaging in too much entertainment activities and for lacking in playing a more constructive role for the benefit of the people.

Addressing ISOC officials at Chunlachomkla Royal Military Academy yesterday, General Chawalit stressed the need for all ISOC intelligence units to restructure their intelligence network and intelligence gathering efforts to meet changing situations.

The Intelligence Coordinating Centre will control, direct and coordinate the efforts of all intelligence units of ISOC, Army and Capital Security Command for maximum benefit, said Gen Chawalit. Only resourceful and experienced officers should be recruited for intelligence work, and sophisticated equipment must be acquired to increase the efficiency of operation as a whole, he said.

Gen Chawalit said ISOC's role should be limited to coordinating, planning and administering the budget, and its role as the executor of anti-communist activities will be taken over by units directly concerned with suppression.

The government's policy to scale down paramilitary forces and permanent staff at every level of ISOC, from the directorate down to tactical units, would continue to be observed, he said. But Gen Chawalit said on the other hand, efficiency must be improved with emphasis on the urban struggle.

Touching on the activist groups formed by ISOC, namely the O Pho Po [People's Volunteers for Development and Self Defense] and Tho So Po Cho [Volunteer Defense Corps] as part of its mobilization of the people, Gen Chawalit said the groups had been in conflict with one another. To restore unity, he advocated an educational programme to set up a mass group dedicated to the promotion of democratic institutions with His Majesty the King as the head of state.

"The crux of the political offensive means that we have to resort to every means to make our people aware that they are a part of this land, have a part as the real owner of this country. And apart from being the owner of this land, they are also owners of every level of administrative system in this country..." said the Army chief.

To fulfil government policy to defeat the communists with a limited budget, Gen Chawalit said a committee consisting of representatives from all ISOC units should be set up to look into the arrangement and allocation of funds for anticomunist efforts.

Pointing out the wastage problem in all ISOC units, he called on ISOC to be more economical and make maximum use of the equipment provided.

REPORTAGE ON NATIONAL ASSEMBLY SESSION

Issues Communique No 1

OW241253 Hanoi Domestic Service in Vietnamese 1100 GMT 24 Jun 86

[Communiqué No 1 of 11th session of 7th National Assembly]

[Text] The 7th SRV National Assembly began its 11th session on 24 June at 0900 [0200 GMT] at the Vietnam-USSR Friendship Workers' Palace in Hanoi. Attending were Comrade Truong Chinh, chairman of the Council of State; Comrade Pham Van Dong, chairman of the Council of Ministers; and many other party and state comrade leaders.

After paying tribute to the late President Ho Chi Minh at his mausoleum, the National Assembly held its opening meeting. National Assembly Chairman Nguyen Huu Tho, chairing the meeting, made the opening speech. The National Assembly heard Nguyen Thi Dinh, head of the Committee to draft the Marriage and Family Law, entrusted by the Council of Ministers, read a report on the draft law on marriage and family; Tran Kiem Ly, vice chairman of the National Assembly's Judiciary Committee, read the committee's report on the views of groups of National Assembly deputies on the draft law on marriage and family; Pham Hung, president of the Supreme People's Court, report on the work of the court sector; and Tran Le, chief procurator of the Supreme People's Organ of Control, report on the control sector.

National Assembly Vice Chairman Nghiem Xuan Yem chaired the afternoon session. The National Assembly heard Hoang Guy, minister and first vice chairman of the State Planning Commission, report, on behalf of the Council of Ministers, on the implementation of the state budget for the first 6 month, of 1986, and Vo Van Kiet, vice chairman of the Council of Ministers, on behalf of the Council of Ministers, report on the situation in the implementation of Resolution no 8 of the CPV Central Committee on prices, wages, and money, as well as on urgent measures for the continued implementation of Resolution No 8 in the coming period.

25 June Proceedings

BK251022 Honoi International Service in English 1000 GMT 25 Jun 86

[Text] The 11th Session of the Vietnamese National Assembly, 7th legislature, continued its work on Wednesday [25 June]. The session heard the explanation made by the chairman of the Economic, Planning, and Budget Committee on the two reports by the Council of Ministers delivered at the Tuesday session. The reports are on the implementation of the state budget in the 1st half of this year and on the implementation of the resolution of the eighth plenum of the party Central Committee on prices, wages, and money and on urgent measures to carry out this resolution in the coming period. The session also heard a report by the foreign minister on the world situation and the diplomatic activities of the Vietnamese state in the 1st half of this year.

Issues Communique No 2

OW251201 Hanoi Domestic Service in Vietnamese 1100 GMT Jun 86

[Communiqué No 2 of 11th Session of 7th National Assembly]

[Text] On the morning of 25 June, the Nationalities Council and Standing Committees of the National Assembly convened.

In the afternoon, the National Assembly met in plenary session at the conference hall, with National Assembly Vice Chairman Nguyen Xien chairing the session. The National Assembly heard Nguyen Dang, acting chairman of the National Assembly Economics, Planning, and Budget Committee, read a committee report on the reports by the Council of Ministers, and Foreign Minister Nguyen Co Thach, report on behalf of the Council of Ministers on the world situation and the foreign relations of our party and state during the first 6 months of 1986.

HO CHI MINH CITY DAILY SAID 'OVERLY OPTIMISTIC'

BK211350 Hong Kong AFP in English 1310 GMT 21 Jun 86

[By Laurent Maillard]

[Text] Hanoi, June 21 (AFP) -- The Vietnamese media paints an overly optimistic picture of the country in wooly language which obscures reality, Vietnamese readers and journalists complain. Newspapers should print information "which startles leaders and makes them sweat," one reader suggested in a letter to the editor published in the Ho Chi Minh City newspaper SAIGON GIAI PHONG. Complaints about the Vietnamese media have appeared in the newspaper over the past two months in line with a criticism campaign being carried out around the country. It published further selections Saturday on the occasion of "Vietnamese media day," a celebration of the 61st anniversary of the appearance of the first Vietnamese "revolutionary newspaper" published by Ho Chi Minh.

For the most part, readers praised SAIGON GIAI PHONG for its courage in publishing the often virulent letters to the editor. But readers condemned the Vietnamese press as a whole for lacking the independence and courage to publish negative information about the country's leaders. "The general opinion is that the press only criticizes negative aspects at the lower end of the hierarchy, sparing the upper ranks," one reader said. "Many facts about high-ranking officials are not published at all," the reader continued. Another reader urged the media to provide more statistics in its articles, which he said tended to give too much weight to good news and did not reflect reality most of the time.

A SAIGON GIAI PHONG journalist wrote that there were a "large number of part officials who do not tell the truth." He denounced the "mania of painting everything rosy" which he said afflicted journalists who were fearful of being accused of denigrating the country. He cited several instances in which he was forced to publish information generally military and economic news, which he knew was false. Faced with intimidation and pressure, journalists generally restrict themselves to criticizing "those who urinate in the street or sleep in public parts," he said. Free speech is generally more respected in southern Vietnam, he said. Observers in the capital agreed, noting that the Hanoi press has not followed the example of SAIGON GIAI PHONG in publishing critical letters from readers. Articles on the criticism campaign in Hanoi newspapers have been virtually identical from one day to the next, limited to singling out instances of corruption among lower-ranking party officials.

NHAN DAN, the official communist party newspaper, began printing critical letters when the campaign began, but their publication ceased abruptly. And while the Ho Chi Minh City newspaper Saturday printed letters criticizing the press, NHAN DAN published an editorial extolling the "glorious mission" of the mass media. The press should "rigorously stress the positive, promote the new-style man and participate in the daily struggle against imperialism," NHAN DAN said. The editorial listed the three duties of a journalist: communication, propaganda and education.

ARROYO: SHULTZ BRINGING 'RENTAL MONEY' NOT AID

HK250355 Quezon City BUSINESS DAY in English 24 Jun 86 p 20

[Text] U.S. Secretary of State George Shultz arrived yesterday bearing \$200-million as rental money for payment to the Philippine government for the United States Government's use of its two military bases in the country. The \$200-million is not being appropriated as US aid to push the Philippine economy under the Aquino government out of the doldrums, but as "rental money which had been budgeted but which the US Government did not disburse for the year 1985-1986," Executive Secretary Joker Arroyo told newsmen. He said, "It (the \$200-million) is debt owed by the US Government to the Philippines for the use of their (the US) bases here; and is being released now." Arroyo also underlined that since President Corazon C. Aquino assumed office, the US Government has yet to appropriate a single cent in support of the Aquino administration's effort to rebuild the economy left ravaged by the excesses of the past administration.

Meanwhile, Justino Bernas, executive director of the Economic Support Fund [ESF] secretariat, explained yesterday that \$119 million of the \$200-million check handcarried by Shultz to Manila represents money already allocated to the ESF for release early this year but "was withheld by US Congress because it did not want the money to be used by expresident Marcos in the last February's president election."

Bernas claimed that without the ESF funds, the ousted president dipped his fingers into the general fund and passed off the money he got as ESF money, intending to reimburse these with money to be later gotten from US aid.

LAUREL ON TRADE WITH PRC; DENG CITED ON CPP

BK200431 Manila PNA in English 0353 GMT 20 Jun 86

[Text] Beijing, June 20 (PNA) -- Prospects are bright for an expanded trade ties between China and the Philippines following the three-day visit here early this week of Vice President and Foreign Minister Salvador H. Laurel. Chinese Premier Zhao Ziyang assured Laurel here that China was taking steps to help push the Philippines' economy recovery program. Zhao said China had agreed to buy more products from the Philippines that includes fertilizers, copper concentrates, bananas and copper cathodes.

Laurel said China's contracts would about to some 50 million U.S. dollars. He said China had also agreed to review its 20 million U.S. dollar credit line to the Philippines, in addition to another 20 million U.S. dollars in trade facility. China has likewise committed to send an investment mission to the Philippines soon to study possible areas for expansion in trade between the two countries. These include mining, wood and paper pulp. In exchange, Laurel said, the Philippines will buy from China 430,000 metric tons of crude oil at a price favorable to the Philippines. China used to sell crude oil to the Philippines at friendship prices.

During his three-day official visit here, Laurel and Chinese Foreign Minister Wu Xueqian agreed to set up more consular offices in each other's country to facilitate trade exchanges. China will open a consulate soon in Cebu City and the Philippines in Xiamen, one of China's major capitals. Laurel and Wu likewise committed to hold an annual meeting of their Foreign Ministry officials to promote closer bilateral relations between China and the Philippines.

During his stay here, Chinese Chairman Deng Xiaoping assured Laurel that China will not make trouble for you. China's policy towards the Philippines, Deng told Laurel, is non-intervention, non-interference and non-involvement.

Deng also said that China has ceased contacts with the outlawed Communist Party of the Philippines (CPP). He described as purely an internal problem the communist insurgency problem in the Philippines.

ENRILE SAYS COMMUNISTS EXPLOITING SITUATION

HK250349 Manila Far East Broadcasting Company in English 2300 GMT 24 Jun 86

[Text] Over in Makati, Defense Minister Juan Ponce Enrile has warned that the communists are exploiting the ongoing partisan conflict in their bid to infiltrate all levels of society. At the same time, he warned that the subversives have set up propaganda on the alleged rift within the armed forces to erode the people's confidence in the military.

Enrile told members of the Rotary Club of Makati, Guadalupe that [words indistinct] driving wedge between the civilian and military components of the government.

RAMOS HOLDS NEWS CONFERENCE AT CAMP AGUINALDO

Reports Decline in Clashes

HK250353 Quezon City BUSINESS DAY in English 24 Jun 86 p 18

[Text] A decline in the number of violent encounters between the Armed Forces and the communist-backed New People's Army (NPA) during the past two months breathes new hope to the ongoing negotiations with the CPP [Communist Party of the Philippines] leadership for a ceasefire. Armed encounters declined considerably during the past two weeks ever since government emissaries started a secret dialog with their counterparts in the CPP hierarchy, New Armed Forces of the Philippines (NAFP) chief of staff, Gen. Fidel Ramos told newsmen yesterday at Camp Aguinaldo.

"The first contact has been made and right now, I believe both parties are negotiating about positions, namely, safe conduct guarantees and others," Ramos said. The chief of staff said as of the first 110 days of the new government, there has been an average on only nine casualties [per day] from encounters between government troops and the communist insurgents.

These are broken down as follows: three military personnel (soldiers, CHDF [Civilian Home Defense Force] and police members), three NPA and three civilians and other government functionaries. "Compared to the same period in 1985, which had an average of 14 casualties per day -- four soldiers, six NPA and four civilians -- the number of casualties has gone down," Ramos said.

Ramos noted that the NAFP has been suffering more casualties than the rebels during the post-revolution period mainly because of the present "active defensive stance" of the military in the countryside. "Our present defensive stance is in line with the reconciliation thrust of President Corazon C. Aquino and we intend to maintain this until she orders otherwise," Ramos said.

The chief of staff reiterated that no informal ceasefire between the military and the NPA as of yet exists. He admitted, however, that the "temporary semi-lull" in hostilities between the two sides is most welcome and can give a boost to the government's ongoing efforts to achieve a halt in the fighting. "We've been encouraging local commanders in the field to take the initiative insofar as reducing violence in the countryside," Ramos said. "The only condition I ask of these field commanders when they take such initiatives is they first get the commitment and support of the people in their respective localities before attempting anything."

Meanwhile, Ramos directed yesterday military and police units in Metro Manila to coordinate their civil disturbance control operations "to insure harmony" during dispersal operations against rallyists. Ramos ordered an immediate joint investigation of the reported violence that erupted in the loyalist rally at EDSA [Epifina de los Santos] fronting Camp Aguinaldo in Quezon City last Sunday. In that rally some troopers, policemen and civilians were reported injured.

Warns Against Coalition

HK250345 Manila Far East Broadcasting Company in English 2300 GMT 24 Jun 86

[Text] Armed Forces Chief of Staff General Fidel Ramos yesterdawy said that based on the communists' pattern of revolutionary warfare in Southeast Asia, any coalition entered into by the communists resulted in the collapse of democracy. General Ramos made this statement during a press conference in Camp Aguinaldo yesterday [24 Jun].

He said any coalition entered into by communists where there was no sincere renunciation of violence and terrorism with the armed struggle by them, always resulted in the collapse of the democratic system in those countries. Although he did not mention names, Ramos was obviously referring to Vietnam, Laos, and Kampuchea. He said one must examine the pattern used by the communists to gain power. At the same time, he said the Communist Party of the Philippines is the broader organization which utilizes the National Democratic Front as one of its many front organizations.

Concerning the Civilian Home Defense Force, General Ramos said the military has been given by President Aquino until the early part of July to justify the retention of the Civilian Home Defense Force [CHDF]. There are about 75,000 CHDF all over the country who directly support the regular armed forces in the fight against communist insurgency. He said the 150,000 strong armed forces cannot do it alone in fighting the rebels scattered all over the country. Ramos said abusive CHDF will have to be weeded out. He said about 5 percent of the CHDF forces have been identified as abusive.

Warns of Increased Attacks

HK251042 Manila Far East Broadcasting Company in Tagalog 1000 GMT 25 Jun 86

[Excerpt] Speaking at a news conference, Armed Forces Chief of Staff General Fidel Ramos said that communist rebels are expanding their aggression all over the country. He said that it should be noted that the New People's Army has increased and continued attacks against civilians, and government offices and installations in Mindanao, Bicol, Bulacan, and other Provinces. In addition, Ramos mentioned the discovery of a large gravesite where government informants were said to have been buried alive. He said the body count totalled 62. The mass gravesite is situated some 830 kilometers south of Manila.

'SOURCES' CITED ON STATUS OF CPP LEADERSHIP

HK241555 Manila PHILIPPINE DAILY INQUIRER in English 23 Jun 86 pp 1, 3

[By Roy S. De Guzman and Ed Perpina]

[Text] Two top-ranking leaders of the Communist Party of the Philippines (CPP), although clipped of broad policy making powers, were never eased out of the party hierarchy. This was revealed to the INQUIRER by senior party sources who, at the same time, denied there were ongoing official talks with the Aquino government.

Contrary to earlier reports, CPP chairman Rodolfo Salas and party secretary-general Rafael Baylosis have neither resigned nor been forcibly made to quit their top posts, sources said. Salas and Baylosis, advocates of the boycott policy cadre who openly criticized the snap election boycott which has been described as "a major tactical blunder."

The two retained their posts and their seats in the executive committee of the CPP Central Committee, which has been expanded. More seats were added to the previously five-man body, although this was not thoroughly explained by our sources. The new executive committee member are identified with the "moderate" faction which favors negotiations with the government and a review of the war tactics employed by the CPP in its 18-year struggle for state control.

The sweeping powers by which Salas and Baylosis -- recognized CPP military tacticians -- ruled over the party since the arrest of the first crop of leaders almost 10 years ago, were clipped. Also, the new leaders' sentiments "neutralize" the "intransigent" views held by the two CPP hardliners.

The moderate view -- represented by executive committee members Jose "Pepe" Lueneta and Antonio Ma. Zumel, and official CPP emissary Satur Ocampo -- has reportedly gained greater influence in the CPP's ruling circles. "As a result, the CPP is now more open about holding talks with the government representatives," said one of our sources, who requested that he not be named and his position in the rebel movement not be revealed. But he denied government allegations that ceasefire talks between the official representatives from both camps are not underway.

"Messages are received," he said, but so far, no official meeting between representatives of the CPP and the government have been held. He said, however, that "preparations are being made so as to facilitate the holding of the discussions."

As a matter of policy, no official announcements are made by the CPP regarding its leadership structure and composition. The party source further revealed that even as the demotion, even expulsion, from the CPP of Salas and Baylosis were demanded by a considerable number of underground CPP cadre and fulltime NPA guerrillas, the question of who takes over can only be resolved by a party congress. "That congress would come only in a year's time," he said, as he revealed that plans are afoot for the holding of national party congress soon, the first to be held since the CPP's founding on Dec. 16, 1968.

He also confirmed reports that there is now a thorough review of CPP policies, particularly the Macist principle of a protracted people's war in the countryside, which through the years has caused the deaths of thousands of civilians and combatants from both the insurgents and government's side.

Meanwhile, the Laguna provincial government could achieve a breakthrough in its effort to open a dialog with Communist guerrillas operating in several Laguna towns. A ceasefire between the New People's Army and the military is also seen as possible even without policy guidelines on truce being issued by both the government and the CPP, said Isidro Hildawa, a member of the Laguna provincial board.

In recent talks with some regular NPA members, Hildawa and Samuel Bueser, another board member, said they were asked to "just shows good faith in dealing with the people" as a pre-condition toward the start of a dialog. They said a certain "Kumander [Commander] Ireneo" had asked them to institute "some concrete changes" to help Laguna farmers. Ireneo was also quoted by the two officials as requiring the government to construct farm-to-market roads.

Immediately after the talks, the provincial board passed a resolution appropriating P300,000 for the construction of a feeder road in Bgy. San Antonio, of this town. Also, the military authorities in Laguna also committed their engineering brigade to help in roads construction.

OCAMPO SAYS CEASE-FIRE TALKS NOT UNDERWAY YET

HK241450 Quezon City BUSINESS DAY in English 24 Jun 86 p 5

[Report by Ninez Cacho-Olivares: "Coimmmunist Leaders Air Views: Peace Is a 'Theoretical Possibility'"]

[Text] Peace between the government and the insurgents continues to be viewed by responsible representatives of the extreme left as a "theoretical possibility." But is a coalition government, that is to say, joint rule by representatives of workers, peasants, the bourgeoisie, capitalists also a "theoretical possibility?"

If ceasefire negotiations push through, the National Democratic Front (NDF), the umbrella organization of the underground movement and the communists' official negotiator, political settlement, to the insurgents, may ultimately mean the sharing of political power with the present government. [sentence as published]

If the "theoretical possibility" becomes a reality, theirs will have to be a minority representation "because the Aquino government is in place. But for the present, we are looking for some way out of the impasse." This was the view expressed by three top-ranking communist leaders during an interview conducted over the weekend by BUSINESS DAY at a guerrilla camp in the mountain ranges of Bicol.

The projected peace negotiations are looked upon by the officers of the extreme left as a step forward, but only if the talks are held on a national level. Regional talks, the laying down of arms and the surrender of arms to government are out of the question, according to Antonio Zumel, Satur Ocampo and Jose Luneta, who asked to be referred as "responsible officers" of the communist organization. "Peace talks on regional levels are divisive," says Satur Ocampo, the NDF emissary.

Antonio Zumel, a newsman who went underground when martial law was declared and is now an important communist party leader, explains why the communist underground organization won't lay down their arms. "The only defense of the masses are the arms of the NPA. If we lay down our arms, the exploiting class will just come back and regain whatever they might have lost."

And to the extreme left, the gains are manifold. The NDF-CPP [Communist Party of the Philippines] -NPA's minimum program of its "genuine revolutionary land reform program has been implemented. The share of the tenants has been increased. There has been a reduction of land rent and in some areas, "technical confiscation" has been realized as some lands have been taken over by 'people's organizations'."

"Even the NDF program has been adjusted to accommodate landlords who are supportive of the maximum program," Jose "Pepe" Luneta, a high-ranking member of the CPP's central party committee, said.

But Zumel adds that what is more important is for both parties to address the problems of our society. "(President) Cory (Aquino) acknowledges that the root of our problems is structural. She says she wants to address the root of the problem. What we should do is to get together, jointly, with cooperation on both sides, and in good faith address the problems of our society."

Satur Ocampo adds, "We are now looking for a settlement to the problem without the full revolutionary method and program we advocate. It will have to be an accommodation to what government wants and the government accommodating to some of what we want. A common ground should be found. Supposing we agree on the implementation of an aspect of any program that we agree upon or we agree to help implement an aspect of the program the Aquino government offers, there should be a mechanism through which we can join recommendations."

As for the ceasefire, Jose Luneta looks upon this as one that is mutually agreed upon and means just that -- "Tigil and putukan. Walang patayan," [The firing stops. No killing] and a search for a political solution during that period of negotiations.

Is a peaceful, political solution to the problem possible and are peace talks between the leftist guerrillas and the government under way? The Manila dailies reported Saturday that, according to Mrs Aquino, peace negotiations between emissaries of the government and the NDF-CPP-NPA were already in progress and that proposals for regional ceasefire were under study. But this was denied by communist leaders during the interview last Saturday. Ocampo told BUSINESS DAY that ceasefire talks had not even begun. "The government has not told us officially who its emissary is. How can the talks be under way? All we know at the moment is that a Cabinet minister will serve as emissary."

On the part of the communist organization, however, consultations with the party cadres, the NPA, its militia and the peasant organizations have started. The question of a ceasefire agreement has been tossed to the peasantry through consultative discussions. The issue is thoroughly discussed and free debate is encouraged by party members. Whatever consensus is arrived at is relayed to the party. "At this point, we are still at that preliminary stage," Ocampo told BUSINESS DAY.

At one such consultative meeting BUSINESS DAY was invited to listen in. Party members and sympathizers voiced the opinion that a ceasefire agreement may not be the solution to the problems they face. They also claimed that while government speaks of peace, it nevertheless continued to step up its counterinsurgency operations. The ICHDF (Integrated Civilian Home Defense Forces), as claimed by them, is still intact and fighting between the NPA and the armed forces has not abated. For the peasants present, the general sentiment was that the Aquino government has done nothing in the past four months to alleviate their condition. In that camp, the consensus seemed to be that of ignoring the ceasefire proposal and continuing with armed struggle as a solution to the problems of society.

The AFP (Armed Forces of the Philippines) and the ICHDF are sore points with the armed left and its peasants-sympathizers. How are hostilities between the armed groups expected to vanish?

"Perhaps what is needed is a total reorientation process for the AFP," says Zumel. "But from what we hear, the AFP is being strengthened for counterinsurgency purposes to maintain the present system. That means physically suppressing the New People's Army and all other armed opposition forces."

But from government's view, isn't suppression of all armed opposition forces necessary for the defense and protection of the state?

That, to Zumel, is a matter of interpretation. "Ours is generally referred to as the hidden government. This may be hidden to the state, but to the people out here in the consolidated areas, the government is not hidden. Ours is the actual government."

A CPP official takes a slightly different slant. "We may be jumping much too forward, but I think it (the ceasefire agreement) will ultimately get to a point where part of the military solution to the problem is precisely that -- reorientation of the Armed Forces of the Philippines and maintaining the integrity of the New People's Army and either putting it in a coordinated relationship with the new reformed armed forces or integrating it as a group.

"Of course there has to be a political basis for such an arrangement and that would be in terms of a political settlement that would be arrived at between the Cory government and the NDF, (one) that would partake the character of a coalition government."

The idea, party officials said, has already been floated and reactions have been received. "President Aquino has already stated that she will not have communists in her government, that coalition is not acceptable. These are publicly stated positions. But we believe that if we are able to lay down the basis why it is a necessary solution to the problem, it would be understood in a different light. Reason must prevail and then we can arrive at a negotiated solution."

Luneta says: "We have to go through a process whereby positions are clarified. First, we must establish the sincerity of the parties that want to talk and negotiate. Then, after that has been established, what do we talk about? Here is our program and we want this to be open to the people and we want this, our program, to be considered by the government. The government has its own program. Saan ba puwede tayong magsalubong dyan? [Where can we compromise?] ...but definitely, we are open to the possibility of a ceasefire." He jokingly adds, "We won't ask the AFP to lay down its arms."

Is peace possible? The party officials seem to think it is possible, now that the channels of communications are open. They see certain solutions to the impasse. But these may not be the answers government has in mind, making peace elusive once again.

Can there ever be a meeting of the minds? The government sees insurgency as a problem. But the other side sees it as something else. Zumel stresses: "Insurgency is not the problem. It is the solution."

NDF SPOKESMAN INTERVIEWED ON CEASE-FIRE TALKS

HK200811 Manila PHILIPPINE DAILY INQUIRER in English 18-19 Jun 86 pp 13-14, 13

[*"Features"* column by Rosario A. Garcellano: "Interview with Antonio Zumel: 'Ours Is a Civil and Civilized Movement"'; Part I]

[Text] While researching for her forthcoming book END GAME: THE FALL OF THE MARCOS REGIME, expatriate writer Ninotchka Rosca met with some underground resistance leaders, including Antonio Zumel, spokesperson of the National Democratic Front (NDF), the umbrella coalition of clandestine revolution forces. Being old colleagues in the press, the two discussed many things, including the ceasefire talks. Realizing the immediate significance of this portion of the interview, Rosca asked for and was granted permission to release it to PHILIPPINE NEWS AND FEATURES.

On Zumel, Rosca reports: "Antomel (old nickname conferred on Zumel by media people) looked no different from the last time we met -- 1972. Still very much an El Greco figure, lean and ascetic. Still chain smoking, though conscious of it now. Once or twice, he slipped into the old media lingo, saying mahal (dear) which, because it dated both of us, was rather mortifying. However, his grasp of the intricacies of politics and of the national situation has deepened. One could sense in Antomel a profound identification with that amorphous collective called the people, the masses. It was obvious he felt the terrible burden of responsibility -- perhaps, a sense of the historicity of his pronouncements -- at this critical juncture of national developments. Sometimes, when speaking of how complex the problems were, both facing nation and the underground movement, he'd make a delicate gesture of restlessness, as though groping for -- well, maybe readier solutions. (Or then again, maybe for a gun.)"

Ninotchka Rosca (NR): What will be the NDF's role in the ceasefire talks?

Antonio Zumel (AZ): This is one issue to be discussed. In the beginning, the Cory government did not specify what body it wanted to deal with. Then, later, Cory herself said she wanted to talk to the Communist Party of the Philippines' (CPP) top leaders, or there won't be any talks. But we in the NDF -- we're the ones prepared to face the government panel. The CPP, on the other hand, is prepared to execute a document to the effect that the NDF will represent them and the New People's Army (NPA). Whatever agreement will be reached with the NDF panel will be binding on the CPP-NPA.

NR: But (former newsman and political prisoner) Satur Ocampo has been named....

AZ: We will have to communicate with the government on this. True, the movement committed Satur to the ceasefire negotiations but as part of the NDF panel. Perhaps Cory wanted to include this (breakthrough) among her hundred-days achievement, so she made the announcement. But there was some misrepresentation -- whether unwittingly or unwittingly, we don't know.

NR: That Satur will represent the CPP?

AZ: Yes, not the NDF. We're not yet in the panel negotiations proper, we still have a lot to discuss. Technical matters, mostly, relating to the logistics of the actual panel talks.

NR: So the "rebel" negotiating panel will be NDF?

AZ: You see, even though the CPP is big and its army large, both are still only a portion of the national democratic movement. Now, the NDF represents all, including sectoral organizations...

NR: If the government refuses to accept the NDF panel?

AZ: That, too, will have to be discussed. I understand they're thinking of variations like the NDF-CPP or CPP-NPA-NDF...

NR: If the NDF is not directly involved...

AZ: The other NDF affiliates won't feel bound by the agreement. That's a factor to consider.

NR: On the other hand, meeting with you would be granting NDF a belligerent status.

AZ: Again, that's one factor to consider. I understand that Tony Tupas's group is raising the view that while the CPP is simply a political party, the NDF is a proto-government.

NR: Why make a distinction between NDF and CPP when, according to your detractors, you are Party-dominated, anyway?

AZ: I was one of those who first served in the NDF's Prep-Com (preparatory commission) so I know a little of its history. I was present during its conceptualization in 1972.

NR: I thought the NDF Prep-Com was set up in April 1973.

AZ: That's the start of its official history. But there were initial meetings even before martial law, when it seemed there was no basis even for such an organization. Voltaire was with us.

NR: Enrique Voltaire Garcia II (past chairman of the University of the Philippines Student Council and delegate to the 1971 Constitutional Convention)?

AZ: Yes, I say this now in recognition of his contributions to the national democratic movement, which should be acknowledged. He was not a Party member but nobody can beggar his defense of the national and democratic interests of our people.

Anyway, in those first meetings, the Front was to be a gathering of patriotic and revolutionary classes and organizations. It was conceived to be the center of different organizations which -- so long as they were opposed to foreign and domestic exploitation and were for the defense of the national and democratic interests of our people. The NDF was to function as their alliance.

In '73-'74, we issued our 10-point program without elaboration. Later, the points were elaborated upon. In the last few years, those 10 points became 12, with some elaboration, because of the changing situation and because of suggestions from our friends. The draft has been everywhere, even to the U.S. We're that open to criticism and suggestion.

NR: It's been said that the program is simply a rehash of Mao Zedon's own program.

AZ: Our starting point was the requirements of our local situation then we had copies of the programs of different liberation movements. Latin American, Vietnam's NLF (National Liberation Front).... Some ideas came from these but the basis was still our analysis of our own society. The 1984-1985 program will again be revised. Not substantially but in response to suggestions from allies and friends. This will be the first order of the day at the NDF congress.

NR: Wasn't that supposed to be in June last year?

AZ: No. Not yet. But all the mass organizations under the NDF are already in place. Among the oldest is the Christians for National Liberation. We have the Kabataang Makabayan [National Youth] the health workers -- doctors, nurses, dentists, a rather large group, the Kaguma [expansion unknown] of the teachers, then our peasant and workers organizations. We also have an organization for members of the bureaucracy and another for nationalist businessmen. Then, the minorities [as published] The Cordillera People's Democratic Front is an affiliate.

Over the years, we have not been lacking in perseverance when it comes to establishing relations with the MNLF (Moro National Liberation Front). Although there are no relations between our and their higher councils, in Mindanao, there is de factor alliance between commanders of both sides. We offered to set up a still broader coalition where the NDF will only be a body within and with which the MNLF could relate. Then, there are other relatively small socialist groups...

NR: The charge is that the NDF is only the CPP in alliance with itself. I understand this is the reason for the reluctance of, say, the Coalition of Marxist-Leninist Groups (MLG) to join the NDF.

AZ: Not true. We have many non-Marxist groups which join because they agree with our program. All member organizations have independence and initiative; all plans are discussed democratically. You mentioned the MLG. We presented our program to some friends there for comment. They said it was fine, it was correct, it was a good program. But they said they would just relate with us, without joining. That's okay. As long as today and in the future, we will be helping each other. Organizations like this are progressive and revolutionary.

Now, our member organizations implement the national democratic program. The CPP does so, with the NPA. But we also encourage the formation of other armed groups. The CPP and the NPA also offer their assistance toward this end. The NDF does not have weapons to spare but we're ready to train such forces in our guerrilla zones.

NR: Is this a policy -- encouraging all groups to form their own armies?

AZ: We not only encourage this; we're ready to help. I envision a future when we will have a national revolutionary army, of which the NPA can serve as the core. All the military forces of progressive and revolutionary organizations can be integrated into this. Then, whatever we can win over from the Armed Forces of the Philippines -- I have no doubt this will happen. The truth is that some in the AFP are with the movement -- the result of Victor Corpuz's and Crispin Tagamolila's example. Over the last 13 years, we've had defections from the AFP -- sergeants, soldiers, who became NPA guerrillas.

NR: With the ceasefire negotiations, your bottom line demands are....

AZ: Dismantling of the Civilian Home Defense Force (CHDF), dismantling of private armies, withdrawal of military encampments and outposts from our territories back to the military barracks.

NR: I thought that has been rejected.

AZ: We haven't talked.

NR: How do you expect the CHDF to be disbanded when it was set up by Gen. Fidel V. Ramos himself?

AZ: The CHDF's track record is terrible. Lumpen elements in the barrio were recruited into the CHDF. You pay such a person P200; you give him authority and a gun... And he's the village thug. So he uses his gun to extort and oppress others. The CHDF record is not defensible. Cory herself in her Davao speech said she'd ask Ramos to explain why the CHDF should be retained. And (former Sen. Jose) Diokno's human rights commission has recommended the disbandment of the CHDF.

Of course, this question stems from a larger one: Has Cory consolidated her control over the AFP? Will they bind themselves to the agreement that will come out of the negotiations?

We guarantee that whatever our panel binds itself to will be binding on our forces to the lowest level.

NR: I heard that Ramos and (Defense Minister) Enrile want to talk to Commander Bilog (alleged to be Rodolfo Sales, purportedly CPP chairman).

AZ: We say that the ceasefire question is a political problem, not a military one. We will not talk to the AFP; we will negotiate with the Cory government. Cory herself has excluded Enrile and Ramos. But it is not improbable that they will have an officer sit in when it comes to military technical matters. In which case, we will have a military cadre with us -- either from our Military Commission or General Staff.

NR: What do you expect personally? Is a ceasefire really possible?

AZ: Instead of a full-fledged ceasefire, we can have a standstill. So long as their soldiers don't enter barrios, neither will we go to the towns looking for trouble. You stay there, we'll stay here. We don't raid municipal halls and military camps. Now, a true ceasefire will mean delineating territorial boundaries and a monitoring of violations.

NR: Do your communication facilities have the capacity to do this?

AZ: That's one objective problem we have to overcome. When the mayor of Gonzaga (Cagayan province) was punished by comrades, Enrile raised such a fuss you'd think this person was a saint. But the details of this man's record -- which had to come from the Cagayan comrades -- to show that his punishment was just and correct reached us late. It took a long time to get here. So monitoring will be a problem. The NDF panel delegation will have to have such reports almost immediately.

NR: How long -- if ever -- do you expect such an agreement to last?

AZ: We should place in a larger context Cory's call for lasting peace, principled peace, enduring peace. You ask what is a meaningful ceasefire? It means removing the root causes for the people's taking up arms against government. Feudalism is still the biggest domestic issue. Majority of our people are tied to feudal and semi-feudal exploitation. If this problem is not addressed, there will be no peace in this country. Unjust structures will remain. Even though the probability is very, very small that Cory's government will turn away from foreign domination and implement genuine land reform, still we're ready to try. If we can convince them. If they can accept our proposed solutions (to our social problems), then the fighting will stop. If we can resolve our society's basic problems in this manner, why bother shooting at anyone?

On the other hand, Cory's own class interests operate. If you remember the PDP-LABAN land reform position, it revolved around technological aid, marketing assistance -- nothing on land distribution.

I do not doubt Cory's sincerity, but will her reactionary colleagues allow the process of land reform to push through?

NR: If she insists on it?

AZ: If she allies herself with the people aha! We will support her and all of us, hand in hand, can confront these reactionary forces. If she wants a meaningful peace, sooner or later, she will have to meet these problems head-on. But here are the factors to be considered: the AFP, US imperialism, American big business here, reactionaries like Jobo Fernandez and Jimmy Ongpin who wish the Philippines not only within the spirit but the letter even of International Monetary Fund-World Bank impositions. These oppose even the smallest of democratic measures coming from Cory and the progressive bloc in her government. It is not improbable that if Cory proceeds with championing the people's interests, these forces within and without government will move to destabilize her thoroughly.

NR: What about seemingly independent initiatives of church groups -- like Sr. Gemma in Samar?

AZ: I understand that Sr. Gemma's order is a conservative one; it was never politically active until last February -- unlike other orders whose members joined the parliament of the streets way, way back. That we all desire peace is fine -- but Sr. Gemma's group's approach to the problem of armed struggle was simplistic. Our society's problems are complex. Yet they offered no solutions. All they wanted was for the comrades to lay down their arms.

Now, they entered the guerilla zone, saying they came in peace. Our comrades were polite -- ours is a civil and civilized movement. So, they received the visitors well and listened. Then, they told her: "Ceasefire, sister, is being discussed by our movement and the government right now. First of all, laying down arms is not part of the discussion. --"

NR: Is this an absolute?

AZ: Absolute. What, surrender? (laughs). We have historic experience of the ruling class' bad faith when dealing with people like us. If we lay down our arms, what will happen? The landlords will return with their private armies and take back what has been won under our revolutionary land reform program. Lay down arms -- never, not even at the moment of liberation itself, because we have to protect the gains of our revolution, paid for with so much hardship, so many lives.

NR: And from the AR [Armed Forces of the Philippines], what do you expect?

AZ: They may not really be interested in a ceasefire. All throughout the time Cory was uttering sweet words of reconciliation, the AFP was hitting us relentlessly. Enrile himself said all's fair in war. The irony was that all the time they were hitting us -- they're still attacking us -- they were and are coddling Marcos loyalists, treating warlords like Dimaporo and Singson with kid gloves. You can see here the direction of their main blow -- it was against us.

We greatly fear that, based on their past moves, (the military) will either block or sabotage these (ceasefire) efforts. Perhaps, even before we discuss the possibility of discussing, our people should be aware of the fact that here (in the AFP), we have possible obstacles, serious obstacles.

Despite this, we will talk with the government. Don't however, lose sight of efforts within and outside the AFP to derail these talks, of attempts by forces like the U.S., for instance, which are only interested in crushing our movement.

NR: Are you going to be in the panel?

AZ: I don't know. Should I be? What do you think?

NR: Ulp....

AZ: I can't imagine how it will be after 14 years underground, 14 years in the guerrilla zones. Aside from your concerns in the negotiations, there will be invitations to speak here, speak there you have to meet the press to apprise them of the situation. We may see each other at....

NR: ...the Press Club!

AZ: It will take some adjustment.

NR: I'll bet you a Black Label though the NDF panel will be all-male.

AZ: Done! you're going to lose!

CPP TO MAKE CORDILLERAS MAIN GUERRILLA BASE

HK240307 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 23 Jun 86 pp 1, 3

[Text] Tuguegarao, Cagayan -- A senior military officer Friday said communist rebels are planning to convert the huge Cordillera ranges into a guerrilla base. Brig. Gen. Manuel Ribo, Cagayan Valley Regional unified commander, said Mountain Province is being eyed by the Communist Party of the Philippines (CPP) as the main guerrilla base of operation by the New People's Army (NPA), its military arm.

He said the guerrilla base will be under the centralized leadership of the Northern Luzon Commission (NLC) of the CPP to promote the so-called people's war against the government. According to Ribo, NLC has been organized into three supra-provincial committees. The first supra-provincial committee is composed of Cagayan, sub-province of Apayao and Ilocos Norte; second comprises the provinces of Abra, Kalinga subprovince and Mountain Province and the third is composed of Ifugao, Quirino and Nueva Vizcaya.

During his briefing at the regional peace and order council in Tuguegarao presided over by Defense Minister Juan Ponce Enrile, General Ribao said the NLC envisions in two years time to link all CPP-NPA provincial zones in Ilocos and Cagayan Valley regions. These are Cagayan, Ilocos Norte, Abra, Isabela, Nueva Vizcaya, Kalinga, Mountain Province and Ilocos Sur.

Ribo said if the organization will push through, these areas will serve as bases for NPA guerillas to launch company size to undersize battalion attacks. Ribo also said the rebels are planning to establish guerilia encampments in Sierra Madre mountain.

He said the CPP/NPA selected the Cordillera and Sierra Madre ranges for economic reason, considering that these areas are where the lucrative wood industries owned by logging operators are located. The NPA imposes a "progressive tax" on logging firms in Cagayan by as much as P50,000 each tractor, P15,000 per truck and P5,000 for each chainsaw owned by loggers. Enrile said he will ask President Aquino to cancel all logging operations in Cagayan to stop "tong" collections by rebels.

MAGNO SAYS NPA BEHIND TROUBLE IN LANAO DEL SUR

HK230755 Quezon City Radyo ng Bayan in Tagalog 0700 GMT 23 Jun 86

[Text] Rebels disguised as Ali Dimaporo's men are responsible for violence and trouble in Lanao del Sur, says Major General Jose Magno, Southern Command chief. According to Magno, NPA rebels disguised as members of Dimaporo's Barracuda army. He added that some 60 so-called Barracuda men who attacked some barangays in the province were actually rebels. They were able to seize some 10 (rifles) during the attack.

AQUINO WANTS DETAINEE ISSUE RESOLVED

HK200759 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 20 Jun 86

[Text] All military cases filed against some civilians will now be transferred to civilian courts. This was the order given by President Corazon Aquino following her meeting with representatives of human rights groups. The groups said that some 650 political prisoners are still languishing in different military camps nationwide. Present at the meeting was Armed Forces of the Philippines Chief of Staff General Fidel Ramos.

The president's spokesman reaffirmed that the president wants the issue resolved. At present there is still no exact figure of all political detainees arrested during the time of former President Marcos. Nonetheless, President Aquino has already released 563 political detainees.

Presidential aide Rene Saguisag said the government is determined to free all political prisoners on the condition that it is proven that they are indeed political prisoners. Meanwhile, Justice Minister Neptali Gonzales said his ministry continues its efforts to study the cases of said prisoners still in detention, adding that they would like to find out exactly what kind of assistance is needed. He also stated that justice is being dispensed accordingly in the country today.

On the other hand, Ramos said that, like all other countries, violence also takes place in the Philippines.

AQUINO DEFERS PROMOTION OF SEVEN GENERALS

HK201522 Manila MANILA BULLETIN in English 20 Jun 86 pp 1, 13

[By Jose De Vera]

[Text] President Aquino appeared to have struck a discordant note in her relationship with the military organization for her failure to act on promotions recommended by Defense Minister Juan Ponce Enrile and Gen. Fidel V. Ramos, Armed Forces chief of staff. The President had deferred the promotion to he two-star rank of seven of eight brigadier generals recommended by Enrile and Ramos to fill up the table of organization (TO) of the armed forces.

Those left out were Brig. Gen. Salvador Mison, AFP [Armed Forces of the Philippines] vice chief of staff whose TO position calls for a lieutenant general but whose promotion was recommended only to two-star rank; Brig. Gen. Rodolfo Caniezo, commanding general of the Army; Brig. Gen. Ramon J. Farolan, Air Force Chief: Brig. Gen. Renato S. de Villa, chief of Constabulary and integrated National Police [INP]; Commodore Serapio Martillano, Flag Officer in Command of the Navy; and two others who were not identified. Sources said, however, that the two were the AFP deputy chief of staff and the commanding general of the Capital Regional Command.

Under the set-up, the AFP vice chief of staff is second in command to the chief of staff, followed by the AFPO deputy chief of staff. The commanding generals of the Army, PC [PHILIPPINE Constabulary]-INP, PAF [Philippine Air Force], and PN [Philippine Navy] come next, in that order.

Southcom is a subordinate command which is now headed by a two-star general as a result of Magno's promotion. How can the AFP vice chief of staff, whose rank is now lower than that of the Southcom commander, give orders to one who is higher than him in rank, the sources asked?

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JUNE 26, 1986

